

CITY OF CHARLOTTESVILLE
"To be One Community Filled with Opportunity."
Housing Advisory Committee



Housing Advisory Committee (HAC) Minutes
Wednesday, May 1, 2024
City Hall Basement Conference Room 12pm - 2pm

HAC Members Present:

- Joy Johnson, Chair (JJ)
- Sunshine Mathon, Vice Chair (SM)
- Phil d'Oronzio (PdO)
- Heather Griffith (HG)
- Peppy Linden (PL)
- Dan Rosensweig (DR)
- Mike Parisi (MCP)
- Michael Payne (MP)
- John Sales, CHRA (JS)
- Nicole Scro (NS)

Staff Attendees:

- Alex Ikefuna (AI)
- Madelyn Metzler (MM)
- Antoine Williams (AW)
- Alan Peura (AP)

Other Attendees:

- Luis Oyola, Piedmont Community Land Trust (LO)

Via Zoom:

- Brandon Collins, CRHA
- Kathleen Glenn-Matthews, CRHA
- Elizabeth Stark

1. Welcome

JJ: Calls meeting to order at 12:07pm.

2. Introductions and Attendance

JJ: Can use next meeting to clean up any language still in dispute but goal for today per AW and City Manager is to vote on ordinance by the end of today's meeting.

Moves to table Agenda Item #4, Land Bank name discussion.

NS: Moves to take it up only if there is sufficient time.

[Motion passes]

AW: Staff needs a full draft of the ordinance and/or—if timing doesn't allow a full draft—a list of comments & suggestions by May 8th at noon so that they can prepare for the next HAC meeting on May 15th.

3. Agenda Items

a. April 17th HAC Regular Meeting Minutes

Approval moved to the next meeting because paper copies are unavailable. All members do have the minutes in their email for review.

b. Land Bank Entity Discussion

MCP: Don't feel like I have enough info to vote today. Need more info, especially clarification whether existing entities like TJPDC, PHA, CRHA, et al may legally administer

the Land Bank (LB). We've been talking as if they can't but at last meeting John Sales made a compelling case they can.

NS: After looking at state law, any entity can be designated. Only issue is potential conflicts of interest of particular board members.

PdO: City Attorney said he did not want PHA to do it because it contracts w/the City directly.

SM: PHA doesn't want to do it anyway. Should discuss question of choosing btw forming a new entity or an existing one first, then move on to discussing individual existing orgs.

MM: Notes an RFP would be issued by the City for any existing entity to apply to run the LB, should that route be pursued.

HG: Prefers an existing entity because it will have staff, infrastructure already in place. LB will start up faster than way.

NS: Is that true? Asks execs of orgs in the room if they have enough staff & existing infrastructure to run LB.

DR: Not at Habitat for Humanity (HfH).

SM: PHA staff already strapped, would need to hire someone. And that would only happen after going through the City's RFP process. So, it's a long runway for an existing org or a new one.

MCP: How many staff members do we see the LB needing exactly?

PdO: 1, maybe 2.

NS: Asks staff their opinion.

AI: Might start with 1 full time and 1 part time staff members. Ex: in another city with lots of vacant lots & dilapidated houses to purchase, it still took a while to upgrade its first LB staff member to full time, then more time to add a second position.

PdO: Good problem to have if LB ends up needing more staff later, but thinks at first neither option—existing or new entity—will have a FT employee.

SM: Re: perception and/or reality of self-dealing if an existing entity ran the LB... Ex: If PHA ran it, could use its existing board, which brings up conflicts of interest, risk of self-prioritizing, or at least perception thereof.

PHA could elect an entirely new board just to run the LB, but then he would have to operate under two boards, not sure how to navigate that.

NS: Could OCS run the LB?

AW: Doesn't think it can be OCS or existing city dept. City would create a new authority w/temp city staffer, then make a permanent hire.

If HAC does decide on the existing entity option, any org anywhere in the state could respond to that RFP.

NS: In subcommittee we leaned towards a new entity. But if goal is to produce more affordable housing by purchasing land, the entity that has done that the most in the

recent past is CRHA.

If CRHA has already been pursuing this goal, is it a good thing to create a new entity to do the same thing?

PdO: Purpose of LB is not to buy land per se. Its purpose is to be a financial instrument to facilitate other orgs creating affordable housing. LB is not the builder, owner, or housing provider. LB may obtain land not just by purchases but by other ways as well. Could act as a "land trust lite" in some instances with a leasehold/ground lease agreement.

AW: Doesn't see the LB's purpose having been defined in that way yet, though it could be if HAC decides it.

NS: So the LB's main value add is its access to a wide range of financial options—financing, bonding, CRA (Community Reinvestment Act) money?

PdO: Reiterates LB's purpose is to facilitate affordable housing. Enough orgs in the building space already.

JS: So LB can't build? MWCLT in Richmond builds.

AW: It has not been established that LB can't build.

SM: No one wants LB to operate as a developer. LB's purpose is to facilitate land acquisition so other orgs can build.

AW: If there is agreement on this, HAC needs to crystalize that intent in the ordinance.

SM: This is already spelled out in Section 1 Findings "Sole purpose is to partner with local govt to facilitate..."

SM: Acknowledges JS's point last mtg that CRHA could use its own board if it ran the LB, but notes conflict of interest risk, perception of fairness.

JS: CRHA was created by city, is governed by city, its board appointed by city. City has control, influence on CRHA actions—how could the City be in conflict with itself?

SM: Isn't the CRHA board created to serve public housing and vouchers admin?

JS: Yes, but the benefit is for the entire community.

PL: Could you see CRHA administering the LB?

JS: We would certainly apply.

DR: What is CRHA's charter? Does it include redevelopment of land and property?

JS: It includes any redevelopment in addition to public housing. Both functions live within CRHA.

DR: Asks for an example of CRHA doing redevelopment outside of public housing

JS: Urban renewal was CRHA doing redevelopment. The Omni Hotel was the biggest example of that. We're looking to grow that but need investment to make it happen.

MCP: Could CRHA issue bonds as the LB admin, even for projects where the land was disposed of to another org to develop or manage?

JS: Yes. Examples in RVA, Norfolk of public/private deals. This hasn't been leveraged in Charlottesville much except for Midway Manor, where CRHA was the vessel for the bond.

MP: Only CRHA can be financed with City bonds, other orgs only with cash. City can afford large expenditures more easily with bonds than cash.

SM: If we choose the new entity option, could the city bond for that org?

AW: Yes.

PdO: A new entity could also engage in its own bonding--

AW: Possibly, with approval of council. City can only do bonding through CRHA; that right would have to be specifically included in an agreement with any new entity.

MP: Advantage of LB is it opens more activities that the city could fund with bonds.

PdO: A new entity LB could use city money on a revolving basis, true line of credit to facilitate transactions until longer term financing can be arranged.

NS: John, do you see CRHA partnering with other non-profits and fulfilling the facilitation function?

JS: Yes. CRHA can't build its way out of the problem itself, we would be compelled to partner.

SM: How would CRHA avoid self-dealing, not create perception of unfairness?

JS: At the last meeting we discussed the example of an existing org bringing a deal to the LB. How could we ensure that process was fair?

AW: Also, self-dealing concerns wouldn't apply in the same way, since CRHA is a creature of the city, though more research needed to flesh that out.

JS: Stresses CRHA isn't a non-profit, it is fully a government org.

DR: Still feels the conflict of interest question would be best solved by a new entity. At HfH his ultimate responsibilities are to HfH's founding documents, CRHA would have same friction.

NS: [To JS] You think a new entity wouldn't serve deep affordability?

JS: It would not.

JJ: Agrees.

PdO: That is why a ROFR (Right of First Refusal) for CRHA was included in the original ordinance.

AW: That's not in this 2018 draft.

MP: It was recommended by HAC but not presented to Council.

NS: Can we insert language re: deep affordability?

SM: We did insert language referring to the Affordable Housing Plan--that is something Council adopted that prioritizes deep affordability. Can also be amended by Council to change priorities.

MP: Iirc, in the AHP it states 50% of City's affordable housing \$\$ should be targeted to units for people making 0-30% AMI, 40% of \$\$\$ to 50-80% AMI, and 10% to 80% AMI and above.

SM: Ex: Landowner comes to PHA wanting to help build affordable housing but doesn't know how. But SM doesn't have time to figure out if the site works for PHA and its

mission, can't move fast enough. LB can purchase & determine the right entity to give/sell it to.

JJ: So in this instance SM would refer the landowner to the LB? Or would SM contact the LB on behalf of PHA?

SM: The former.

NS: We can insert safeguards into the ordinance such that if a certain org refers a property to LB, then no contract is entered into until the process is completed.

PdO: As another ex: HfH could bring a property to be "held" by the land bank until HfH is ready to develop it.

ALL: Unsure of that idea.

PdO: Also could be LB acquires the property and figures it out later depending on if HfH is ready to go in a timely manner or not.

NS: This issue should not be "in the weeds" of bylaws. Need to create a process that has a trust factor. Orgs shouldn't be able to bully, strongly influence LB to give it land instead of an open process.

JS: Everything should go to RFP if LB is a new entity.

SM: Even if CRHA is the LB entity?

JS: Yes, RFP should be required for disposition of every property.

AW: Let's get the entity question pinned down.

JJ: Let's vote on existing vs new entity, then move on to fairness of process questions.

PdO: Impossible to come to an agreement re: fairness of process in this room.

NS: I gravitate towards a new entity if we include safeguards for fairness in the process.

DR: I move to recommend the new entity option, and continue to work on details re: fairness, including tying LB into the lower AMIs priorities in the Affordable Housing Plan.

NS: [to JS] Is it possible that a new entity can facilitate goals of yours?

JS: If we write in strict rules re: RFPs for any piece of land that will be disposed for development, then yes.

PdO: That will be wasting months of time.

JS: Disagrees.

[First vote results in confusion. Results of second vote:]

DR: y

PL: y

PdO: y

HG: n

SM: y

NS: y

MCP: abstains

JS: n

JJ: n

[Motion passes.]

HG: Who will lead the LB when the new entity is created?

AW: Council/City Manager/City Attorney will delegate that.

AI: Once HAC finishes its recs, City Manager & Attorney will review for legal changes. Then staff takes it to Council, who will make their own changes and decide on implementation.

[HG leaves at 12:20pm]

c. Land Bank Governance Discussion

SM: Recaps Section 8 recommendations re: board composition:

- City Council member
- Planning Commissioner
- City Manager or his/her designee
- HAC and CEDA slots removed
- Certain number of at-large spots

Any significant omissions?

PL: Affordable housing beneficiaries need to be included.

JS: Agrees.

MP: Should have plenty of at-large slots. We have several boards where too many slots are specifically designated—leads to problems both getting applications and fielding a quorum.

PL: Notes it was difficult recruiting affordable housing beneficiaries to CDBG Task Force but she made it happen. Difficult yes, but should be committed to it.

JJ: Very intimidating when you're the only board member w/lived experience.

Language, body language, strong opinions from people who look and talk differently can be a barrier to participation. She seeks out people who can stand up to all of the mess.

PL: I recruited JJ!

JJ: HAC should make an effort to recruit, but also mentor & train board members w/lived experience.

DR: Another issue is making sure the City's representation is not the majority. Proposes:

City Council member

Planning Commissioner

City Manager or his/her designee

6 at-large slots, at least 2 of which are affordable housing beneficiaries

(9 total, quorum of 6)

JS: Would like more than 2 spots for affordable housing beneficiaries.

PdO: We appoint more people w/lived experience to the advisory board, along with people like DR, SM who would have conflicts of interest.

MP: Asks LO to review MWCLT's issues w/governance.

LO: Took MWCLT 3 years to become fully operational, during which time the market boomed and opportunities were lost. Their recommendations:

1. Figure out best procedures early on.

2. Establish a liaison and/or clear line of communication btw LB & City to make sure LB can act quickly.
3. Establish a non-binding advisory board that reviews each transaction.
4. Establish a value under which the LB can purchase w/o board approval.

DR: Moves to vote on his proposal of board composition.

PdO: Wants clearer definition of City Manager's designee as being a senior level employee.

JS: Prefers 4 members w/lived experience. If only 2 out of 9, their voices will be lost.

DR: Withdraws motion.

Next steps:

JJ: We need to send recommendations to staff by end of next meeting May 7th?

AW: Now that the entity question is decided, just need to continue through the ordinance to finish other edits.

SM: Will also include other recommendations in a separate document that we submit with the ordinance.

AW: After May 7th, will meet May 15th to continue ordinance edits, and/or move on to suggestions that live outside of the ordinance.

PdO: Sections 7 & 8 are still incomplete.

NS: And Section 1.

JJ: Asks about the Working Group's purpose and timeline.

PdO: It exists but hasn't done anything yet.

MP: Working Group was supposed to interface with the City Attorney, but there isn't one presently.

4. Public Comment

No public comments.

5. Adjourn

Adjourned 1:55pm.