

Housing Advisory Committee (HAC) Special Meeting Minutes
Wednesday, April 30, 2025
City Space Conference Room 1pm - 3pm

HAC Members Present:

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

HAC Members Absent:

- Peppy Linden (PL)
- John Sales (JS)

Staff Attendees:

- Antoine Williams (AW)
- Madelyn Metzler (MM)

Other Attendees:

- Kathleen Glenn-Mathews, Deputy Director CRHA (KGM)

1. Welcome

DR: Calls meeting to order at 1:03pm.

2. Introductions and Attendance

3. Agenda Items

i. Land Bank Ordinance (LBO) Discussion

DR: To summarize, LBO has been a years-long process. First put on the backburner by COVID, then the Zoning Ordinance revision. HAC drafted an LBO again in 2024, then the city's acting attorney recently rewrote it with eye to keeping it in accord with existing law.

AW: Attorney directed staff to look at the Chesapeake's LBO and the state law re: Land Banks (LB). Staff then assembled this LBO draft with further input from City leadership. LB's board structure and governance are the primary parts that have been carried over from HAC's LBO draft. I can go section by section.

Definitions

AW: Flagged by staff and city's attorney to add this section following examples from other localities and to address questions from attorney about items that weren't defined.

LB as Authority

Formation and Purpose

AW: Authority language is carbon copied from Virginia's Land Bank Entities Act; Formation and Purpose was something that we also saw in the Chesapeake LBO. For context, the primary reason to switch to an Authority in this draft from HAC's nonprofit recommendation was to have more oversight by City, especially because City staff

will be the first LB employees. We were also asked by executive leadership team about how LB would prioritize projects and AMI levels. Added language re: 31-50% AMI (Area Median Income) that is specifically reflecting what isn't being addressed by actual projects, even though that range doesn't exactly correspond to the AMI ranges in the Affordable Housing Plan (AHP).

PdO: HAC proposed nonprofit, City preferred Authority due to tax revenue and other funding being used by LB. HAC agreed that if LB will be an Authority, 1) there needs to be a pilot program with a sunset provision, and 2) a parallel nonprofit with same board members be immediately established as a conduit for incoming funds from banks, tax write offs, etc.

HG: Timing for sunset?

PdO: Could say at any time within 3 years but point is to force an evaluation and decision point.

AW: No comments about dual structure. But that language should be in the Formation section if HAC wants to include it.

SM: Staff perspective is property tax and general revenue necessitates more control and oversight by City. Tradeoffs would be CRA, private investments and donations, ability to morrow more easily, would disappear.

AW: Those points were discussed, leadership comfort level is with Authority. We looked at Chesapeake's ability to work with nonprofits and other partners. And with tax abatement and bonding decisions being informed by executive staff and Council, even more reason for Authority.

PdO: If LB conveys \$500,000 of property in one year that is only \$2500 in property taxes to LB. If LB conveys \$20mil of property, it is increasing the value of the property by definition and providing \$1,000,000 in tax revenue to the City that it wouldn't otherwise get. City couldn't do better than that.

SM: HAC discussed balance of tradeoffs extensively, fair for City to see it otherwise, is it possible to meet in the middle.

AW: Does HAC want to acknowledge City's stance but stick with nonprofit, or tweak Authority ordinance version?

DR: Want to avoid past practice of HAC and staff competing proposals before Council. Possible to put forth staff proposal but with HAC alternatives noted?

AW: Not staff driving proposal. City Manager Sam Sanders (SS) acknowledged that some, all, or none of the HAC's LBO draft would be adopted. Board component was carried over.

MP: In Council, SS, staff convos re: Authority, cost benefit analysis was Authority would be more likely to have bonding capability. Ex: easier to fund Carlton Mobile Home acquisition that way. Saw more flexibility with that source of funds than a nonprofit's ability to collect funds via Community Reinvestment Act (CRA) investment from banks, donations, etc.

DR: I'm stuck on the org chart. Who does HAC recommend to? City Manager? Council?

AW: My understanding is HAC's recommendations funnel up through the Office of Community Solutions and the City Manager's office to Council.

SM: Staff, SS developed this LBO draft with substantial changes not made lightly. Not viable to return to HAC's version. Can HAC identify concerns with changes in the hope of influencing a second draft by the City?

MP: HAC recommendations in public and private meetings were presented and discussed fully by SS and Council.

DR: Is HAC comfortable with noting recommendations and differences, not sticking with previous ordinance?

PdO: Yes. Need to go line by line, note concerns and reasons behind those, not just say no to this ordinance.

DR: Thoughts on including language re: parallel nonprofit in the ordinance?

NS: I like it for transparency. Putting it in ordinance can highlight why it's necessary, its purpose.

AW: Is HAC's concern about nonprofit language about tools for LB that wouldn't otherwise exist, or as a means to keep City honest about purpose?

NS: Strictly about receiving private donations, CRA money. That's the only purpose.

AW: CRHA can do that, as an Authority.

DR: Does CRHA have a foundation? **KGM:** We are in the process of setting up a parallel nonprofit for CRHA.

PdO: Setting up nonprofit on paper is very easy, useful, and is a guidepost on the way towards sunsetting from an Authority. Deputy City Manager James Freas (JF) said the intent was to LB as an authority as a pilot program (Authority). Parallel nonprofit and sunset language would confirm that.

AW: Would be Council's decision to do that. Won't see "pilot" in the ordinance.

PdO: If pilot and eventual; transitional period is not the intent, let's be clear about that.

NS: Not legally required to put nonprofit language into ordinance, but good discussion whether to include it in memo or ordinance.

DR: Downside to putting nonprofit language into ordinance?

NS: More prescriptive, would mean LB has to come to Council to alter that language.

DR: Consensus on parallel nonprofit to enable fundraising?

SM: Let's focus on the tools that we want LB to have. If it turns out Authority can do those, that's fine.

PdO: Tools include donations that are tax write-off s, CRA money, independent borrowing from banks.

SM: I.e., ability to go to a bank and get a 3% loan, as opposed to a 5% rate from issuing a bond.

PdO: Also 3rd party partnerships. Forming an LLC or subsidiary.

AW: All entities that are formed must come back to council by state law.

DR: But can an authority participate in a joint venture?

SM: Question is if a parallel nonprofit would need to come to council to do so?

AW: By state law yes.

DR: Can an authority accept tax deductible donations?

KGM: No.

DR: Need to emphasize to Council that tax deductible donations and CRA credits are foundational abilities for LB.

SM: If donations aren't tax deductible, potential donations go down.

KGM: Authority does have access to funds and rates that are particular to them.

MP: Useful to list LB tools and whether each is available or not to an Authority.

Vision, Mission, and Values

PdO: Re: transparency and accountability, LB can't be discussing details of property transactions in public, would lose leverage.

KGM: CRHA goes into closed session to discuss land deals.

DR: Recommend slight tweak to "decision making processes are open and accessible to the public" so LB isn't hamstrung when dealing on the real estate market. From original LBO, re: prioritization of disposition of property, "board shall first prioritize affordable housing in accordance with AHP. If property entails other uses, LB shall document reasons and act by $\frac{2}{3}$ vote."

NS: Why wasn't original language included?

AW: Not sure.

DR: HAC was intentional and deliberate about this because of local context, LB will not be dealing in blighted properties like other land banks. Created specifically for affordable housing, but in some circumstances other uses may be appropriate. Chapter 2 Section 3B should be replaced by original text from the HAC LBO draft.

JJ: Re income priorities, should include as a reminder to Council.

SM: Missing from this and the AHP is that the highest priority 30% AMI and below is also the most expensive to build. Trade off is fewer units are being built because they are more costly to build. OK to be in here but recognize that it could produce fewer units than otherwise.

DR: Can loosen "The Authority Shall..." language in each income bracket and include reference to Affordable Housing Plan.

Re: Core Value of Equity and Inclusion, inclusion of certain specific words may be used to eliminate grants and programs with this type of language. Can flag for Council.

Re: City Manager or designee on board, the language we talked about didn't make it into HAC LBO draft or this one.

AW: That language was in HAC's memo, not LBO.

DR: Can include a note to reiterate City Manager or "senior level staff" not just any employee.

AW: Should use the term "appointee" not "designee" if the idea is City Manager cedes his seat to another person, versus only occasionally when he can't make it.

SM: In General Powers section 1E the language defining 0-60% AMI as moderate priority is not consistent with previous section.

PdO: Can restate “....affordable dwelling units in accordance with City Council’s endorsed priorities” or similar.

Financial Operations and Oversight

AW: This flowed from questions internally re: balancing being nimble vs. the rules an Authority is required to follow.

DR: Do we need to include this much detail about how Authority can receive funds?

NS: Could add “any other sources” to Section 1A.6.

DR: In LBO draft, it reads “may receive funding according to provisions of VA code...” pointing to statute.

PdO: Drop HAC draft language back into this section (A)

PdO: In Section 1B “a dedicated fund” singular is too prescriptive, could be multiple funds.

SM: Parallel nonprofit could control funds not in the City’s coffers. Might need a bank account separate from the city.

DR: Carlton Mobile Park has its own banking account. This language is limiting.

SM: Can’t fully anticipate where funds will have to sit. For donors to get write offs those funds will have to be in a non-City account.

DR: Retain availability to segregate funds.

SM: Replace “a dedicated fund” with “any”.

AW: Might have to be in there. Not sure.

SM: Then we’ll have to add additional language.

Dissolution of Authority

NS: Pros of including authority sunset language: reminds, memorializes for all parties about this founding discussion and intent. Cons: Adds a required action.

SM: Has Council weighed in about HAC’s idea of LB authority pilot phase sunsetting into a nonprofit LB?

MP: Council discussed whether it’s easier to start as an Authority versus a nonprofit. Conversation is ongoing.

4. Next Meeting: May 21, 2025

5. Public Comment

No public comment.

6. Adjourn

Meeting adjourned 2:57pm.