

## Housing Advisory Board

### Minutes December 10, 2018

Meeting held at the Strategic Growth Area Office located at 4525 Main Street, Suite 710, Studio Meeting Room, Virginia Beach, Virginia 23462.

**Present:** Ann Crenshaw, John Georghiou, Hunter Hanger, Kevin Kemp, Tim McCarthy, John Olivieri, and Ron Ripley.

**Also Present:** Andy Friedman, Karen Prochilo, Margaret Reyes, Victoria Rice, Jill Rinaldo, Mark Shea, Carolyn Smith, and Kathy Warren.

**Absent:** Cheryl Davidson, Bob Dyer, Bob Miller, Addie Wright Thomason, and Rosemary Wilson.

The meeting was called to order by John Olivieri at 3:03 p.m.

#### **Executive Summary of Meeting**

##### Actions Taken by the Board

- The Minutes from the September 17, 2018 meeting were approved.
- Annual Report to City Council was reviewed and signed.
- Election of Chairman and Co-Chairman for 2019.
- Presentation – Housing and Neighborhoods Strategy Process Proposal.
- Request for Proposal for Design Services Update.

##### Next Meeting

January 14, 2019 at 3:00 pm

#### **Detailed Minutes of Meeting**

##### Introductions

Roundtable introductions of attending board members and City staff. It was noted that Victoria (Tori) Rice, Assistant City Attorney, will be assuming the previous duties of Tobias Eisenlohr with regard to Codes Enforcement and Zoning, as well as attendance at the Housing Advisory Board meetings. Additionally, Tim McCarthy shared that Tori is a Pungo native, a recent homeowner, and received her undergraduate education from William and Mary, and most recently, her master's degree from Regent University Law School.

##### Minutes

The Board reviewed the Minutes from the September 17, 2018 meeting. Ann Crenshaw made a motion to approve the Minutes and John Georghiou seconded the motion. All board members in attendance unanimously approved the motion, and the Minutes were accepted as written.

### Annual Report to City Council

Karen Prochilo advised the board is required to submit an Annual Report to City Council in October reporting on the progress of the WFH Program (see attached). Due to the fact that the Housing Advisory Board (HAB) did not meet in October or November the report is now being presented for signature. After time was given for review, Ann Crenshaw made a motion to approve the Annual Report. Ron Ripley seconded the motion. All board members in attendance unanimously approved the motion. The Annual Report was then signed by John Olivieri and Tim McCarthy.

### Election of Chairman and Co-Chairman

Nominations for Chairman and Co-Chairman were sought via email in advance of the meeting. Tim McCarthy volunteered for Chairman and Ann Crenshaw stated she would serve either position if there were no other nominees. After the volunteers were announced, John Olivieri stated he would be happy to either continue to serve or to step down and allow someone new to take the helm. Upon hearing John's statement, Ann Crenshaw withdrew. After the votes were tallied Jill Rinaldo announced that the vote was unanimous for Tim McCarthy as Chairman and John Olivieri as Co-Chairman. John Georghiou made a motion to accept the vote. Ann Crenshaw seconded the motion. All members in attendance unanimously approved the nomination of Tim McCarthy as Chairman and John Olivieri as Co-Chairman.

After the vote Tim McCarthy added that his platform for the year, after many years of alternating leadership roles with John Olivieri on the Housing Advisory Board, would be to encourage at least one alternate member to come forth by the annual 2019 vote and lead a new future for the board.

### Housing and Neighborhoods Strategy Process Proposal

Andy Friedman presented "Developing a Housing & Neighborhoods Strategy for Virginia Beach" (Draft dated December 11, 2018, see attached.) He shared that after receiving factual information from multiple sources, including data received from the Strategic Goal Teams and other City related studies, the City Manager (CM) has requested a long term plan be devised for a Housing Strategy Development Process. The CM also instructed that the process include multiple checks and balances. At conclusion of the presentation, Andy pointed out that while VB has successfully revitalized areas in the past, and currently has an excellent foundation to build upon, that the created process will be more systematic and proactive for use citywide and effective even with changing variables. He then requested the board's feedback as it is integral to the review process.

The presentation is scheduled to be shared with City Council on December 11<sup>th</sup> and then to the Planning Commission on December 12<sup>th</sup>. If endorsed by Council, the anticipated plan for January 2019 is to hold an open public forum and solicit public input electronically to assess citizen perception of neighborhoods and what they would like to see for the future of VB.

### Discussion:

- Ron Ripley – Liked slide #16 as it depicts keeping a balance of threats and opportunities. He was also pleased with slide #19 (Questions for residents), adding that their responses will be important to the success of individual, unique neighborhoods. He felt encouraged by the approach that was being taken to citizens as it will create excitement and encourage residents to welcome the City into their neighborhoods in the future.
- Hunter Hanger – Inquired if/how the City charts the annual growth rate, and if so, what is done to encourage growth?

- Andy Friedman – Population studies and projections are performed by the Weldon Cooper Center. Additionally, the missions of Economic Development and the Visitors Bureau are to create a vibrant tourist industry and encourage economic development. Lastly, he stated that the Housing and Neighborhood Strategy Plan will be interdependent on other industry and local plans to achieve the best possible outcomes.
- Kathy Warren – Ron Berkebille in the SGA Office tracks data. Additionally, Hampton Roads Planning District Commission (HRPDC) is actively tracking population growth and trends. VB is augmenting the HRPDC plan into theirs for shaping and growing the City.
- Ann Crenshaw – Reinvent Hampton Roads and Go Virginia are marketing locally, however, there must be affordable housing available to those seeking jobs in this area.
- Ron Ripley – Transportation between neighboring cities is relevant to future policies.
- John Olivieri – Economic Development offers grant incentives to businesses that provide higher paying jobs, which makes housing affordability more achievable.
- Mark Shea – Military allocations have a substantial impact on our area. Also of note, VB is more constrained for single family housing than surrounding cities.
- Hunter Hanger – How do the Green Line and zoning restrictions impact affordability of housing in VB?
  - Karen Prochilo – The intention of the Green Line was to encourage growth and redevelopment north of the line, while maintaining the agricultural district to the south, thus creating a mixed balance of infrastructure. The cost of extending and maintaining infrastructure is an important factor relative to the division.
  - Carolyn Smith – Stated that lot sizes are recommended to be larger south of the green line which does potentially increase the cost of the housing. She cautioned that expanding south with a low density would create a substantial tax burden on our citizens. Carolyn added that the good news is people do want to live in VB so we have adequate supply and demand.
  - John Olivieri – All municipalities have constraints for growth, not just VB. Location, flooding/drainage capabilities, space to grow, and access to services are all factors. Although it may be perceived as easy to build on open land those factors along with EPA regulations do drive up the cost.
  - John Georghiou – Noted that military fly zones constrain access to useable property.
- Tim McCarthy – Asked if the HAB could be of more support in the process. He added that he believes the plan moving forward is excellent.
  - Andy Friedman replied that within the next 6 months committees and activities will become much more active and HAB members are welcome to take part in them.
- Andy Friedman – Reinforced the fact that having a neighborhood strategy does not mean that something has to be done in every neighborhood all at the same time; it means we have to be prepared to identify where trends are not consistent with other neighborhoods and address the issues proactively. The future can hold any number of unknowns and having a systematic, data driven approach is the best way to overcome those challenges.
- Hunter Hanger – Would like more data comparing zoning requirements with other cities. He stated from a strictly economic perspective that the City is creating loss by restricting the private commercial interest in development south of the Green Line. He added that changing the zoning regulations would increase the supply of land and drive down consumer costs.
  - Ron Ripley – The policy has been entrenched over many years with strong resident support.
  - Carolyn Smith – Agriculture is an important economic component to VB, second only

- to tourism. It is a viable economic engine that must be protected.
- Andy Friedman – Added that the City has multiple goals, not just housing, and we must remember that the Agricultural Reserve Program established by the City was designed to prevent future development of the agricultural region. He emphasized that Staff will not be questioning that policy. He then pointed out that had the Green Line not been in place, more homes would have been affected by the flooding that has occurred in recent years.
  - Hunter Hanger – Thanked everyone for the information they provided in response to his questions. He said the politics are compelling, but he would still like to see the data. He is also eager to see the presentation on the first phase of the New Comprehensive Plan when it is available. Adding that his concern is the loss of citizens to other cities, and their tax revenue, and he wants the City to do everything it can to keep people from leaving.

#### Request for Proposal for Design Services Update

Karen Prochilo advised that after a brief extension of the advertisement only one proposal was received. Fortunately, it was submitted by Work Programs Architects (WPA), an organization that is very well regarded locally. After interview and a panel discussion, WPA was awarded the project. Procurement has finished negotiations and advised that on December 7, 2018 the contract was sent for signature. Starting in January 2019 WPA will be meeting with various stakeholders to gather information to be used in the creation of unique designs for rehabilitation, redesign, and new construction. Karen will provide the meeting timeline to the HAB when it has been scheduled.

#### Additional Discussion

Tim McCarthy thanked John Olivieri for his experience, leadership, and collegial spirit that he has brought to the Housing Advisory Board this past year. All in attendance gave a round of applause.

#### Next Meeting Date:

January 14, 2019 (3:00-5:00 p.m. at the Strategic Growth Area Office)

The meeting adjourned at 4:03 p.m.

Jill Rinaldo  
Recording Secretary

**HOUSING ADVISORY BOARD  
ANNUAL REPORT TO CITY COUNCIL**

**For the period October, 2017 through September, 2018  
Report Date: October, 2018**

**Purpose:** The Housing Advisory Board (HAB) was established by City Council to:

1. Establish the maximum sales and rental prices of workforce housing units semi-annually;
2. Advise the city council on all aspects of the city's workforce housing program, including recommendations for modifications of the requirements of the program; and
3. Report annually to the city council on the production of workforce housing units, participation in the workforce housing program, and achievement of program goals.
4. Advise the city manager and the city council regarding implementation of strategies to address issues of housing affordability and neighborhood preservation

This report provides a summary of activities of the board and program activities during the report period.

**Workforce Housing Developments:** Riverlake remains the city's first and only workforce housing development at this time.

**Workforce Housing Program Modifications:** No modifications were made to the Work Force Housing Program during this reporting period.

**Workforce Housing Program Development:** The Workforce Housing Program is advertised on the Department of Housing and Neighborhood Preservation's website.

**New Activities:**

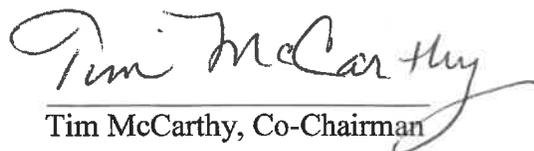
The HAB identified issues from the 2017 Housing Needs Assessment and Market Analysis and Housing Reinvestment Study to work on to insure the housing market stays vital. The HAB will make recommendations for policies to increase the production of affordable housing units in Virginia Beach

The role of the HAB has expanded to include an advisory board on housing strategy development for the Housing Strategy Goals Team (SGT 4) and the pilot neighborhood project in Princess Anne Plaza, Windsor Woods and The Lakes.

Two members, representing the HAB, are on a newly formed Design Advisory Team that will guide the use of a VHDA grant for professional design services to assist in the housing strategy development as well as the pilot project. This team emphasizes the importance of good design, preservation and development practices. The team will provide a coordinated and collaborative approach to the design progression in the neighborhood pilot area as part of an overall effort.

Respectfully submitted,

  
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John Olivieri, Chairman

  
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Tim McCarthy, Co-Chairman

Attachment: Housing Advisory Board - Membership Roster



# DEVELOPING A HOUSING & NEIGHBORHOODS STRATEGY FOR VIRGINIA BEACH



City Council Briefing – Dec. 11, 2018

Andrew Friedman, Director



## OUTLINE

- City Council and Manager Direction
- Background
- Key Information
- Work to Date
- Defining and developing the strategy
- Proposed Process



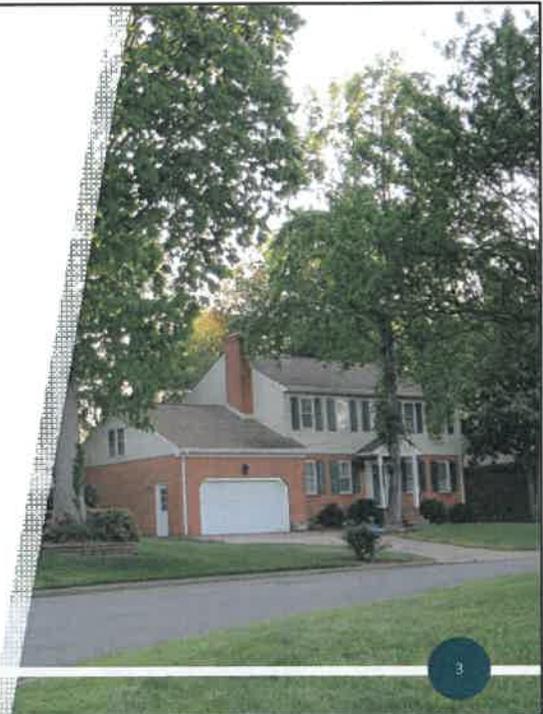
## CITY COUNCIL DIRECTION & CITY MANAGER DIRECTION

### City Council Goals:

- Revitalize Neighborhoods and Plan for the Future – a top Council goal
- Aging Housing Stock – a Council priority

### City Manager Guidance:

- Work across departments to address issues strategically
- Prioritize this work and begin briefings for Council



## BACKGROUND – 2017 HOUSING STUDY

The 2017 Housing Needs Assessment and Market Analysis identified key threats to the future of Virginia Beach’s housing, including **aging housing, outdated housing designs, housing affordability, and areas of inadequate maintenance and reinvestment**, and recommended strategies to mitigate those threats. Recommendations included:

- Re-orienting new and some existing housing stock from suburban to urban will improve values and allow Virginia Beach to retain its population of millennials, which is the future workforce, and help longtime residents age in place successfully.
- Increasing the value of land and the vitality of the housing market will increase wealth for residents and help fund affordable housing and programs for households in need of assistance, including low income households and seniors.
- Virginia Beach should build upon the SGAs and the policies of the Comprehensive Plan, maintain code enforcement and retain the Green Line.



## BACKGROUND (2)

- **Revitalizing neighborhoods is a top priority goal of City Council.** We've successfully conducted revitalization activities in multiple places over time.
- **Sea level rise and recurrent flooding are major threats to the city,** threatening the viability of some neighborhoods and the cost of some housing; and the Dewberry study has identified key strategies to address them.
- **Housing and neighborhoods are inextricably linked in multiple ways;** the value of housing is in many ways limited by and determined by the perceived character of the neighborhood it is located in; and vice versa

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## BACKGROUND (3)

- The value of residential real estate in Virginia Beach exceeds \$47 billion. Property tax revenue from it exceeds \$470 million annually. Ensuring the continued vitality of the housing market is critical for property owners, renters and the city government itself. However, the size of the market clearly means that the great majority of all actions will be private. **Government actions to address it must be strategic and limited to those areas where the market is not working or cannot work effectively.**
- All of the above requires that these issues should be addressed in a **coordinated, integrated manner that is based on data and analysis, most effectively uses available resources, and helps to stimulate or supplement, not replace, private actions.**
- Therefore, an **integrated housing and neighborhoods strategy** is needed to address all three of the above issues.

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## KEY INFORMATION: RESIDENTIAL VS. COMMERCIAL PROPERTY

Assessment Comparison by Classification

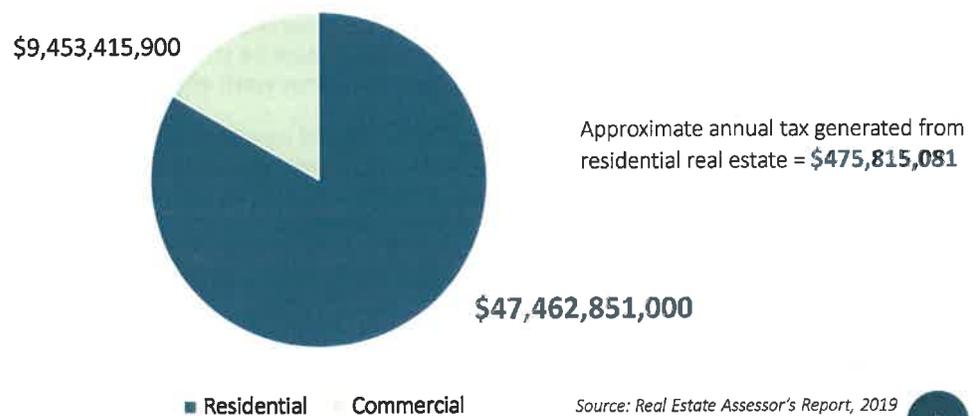
Classification	2019 Assessment	
General Commercial	10.0%	} 16.7%
Hotel	2.1%	
Office	3.0%	
Industrial	1.6%	
Apartment	7.1%	} 83.3%
Residential	60.3%	
Townhouse	5.4%	
Condominiums	10.2%	
Agriculture	0.3%	

Source: Real Estate Assessor's Report, 2019



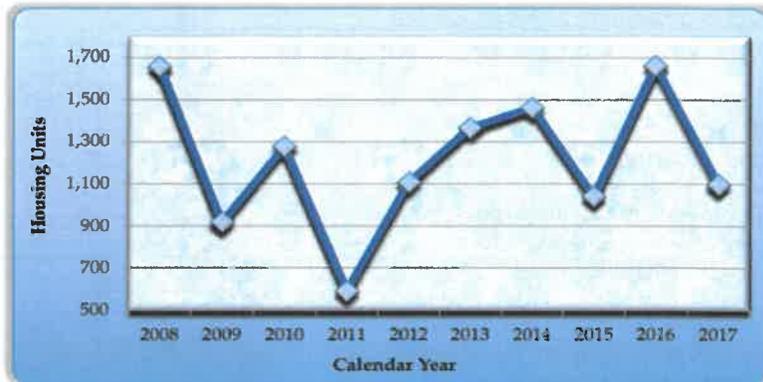
## RESIDENTIAL PROPERTY COMPRISES 83.3% OF THE REAL ESTATE TAX BASE

Value of the Real Estate Tax Base – Residential vs. Commercial



Source: Real Estate Assessor's Report, 2019

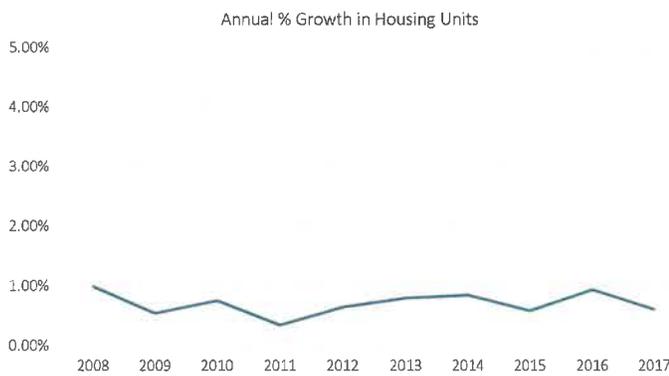
## NEW HOUSING UNITS BUILT IN VIRGINIA BEACH (2008 - 2017)



Source: Real Estate Assessor's Report, 2019

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## VB HOUSING STOCK IS GROWING SLOWLY (2008 – 2017)



Total housing units grew from about 167,000 in 2008 to 179,000 in 2017 – or about 12,000 total...

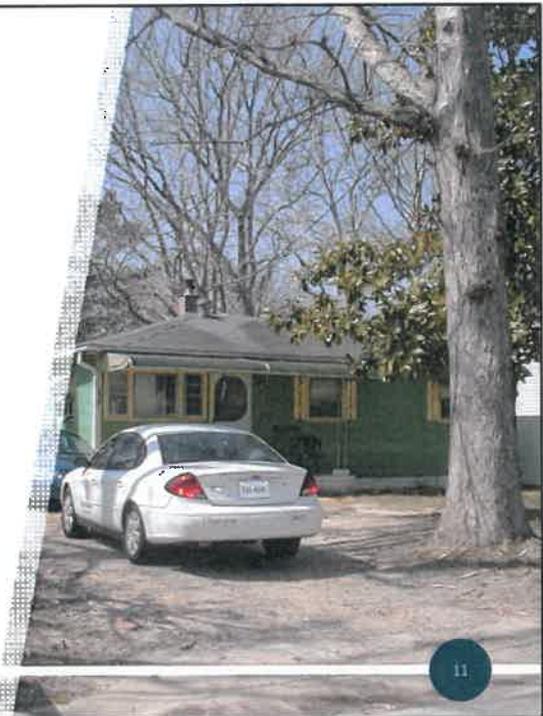
**An average of 1,200/yr.**

Source: Calculated from Real Estate Assessor's Report, 2019

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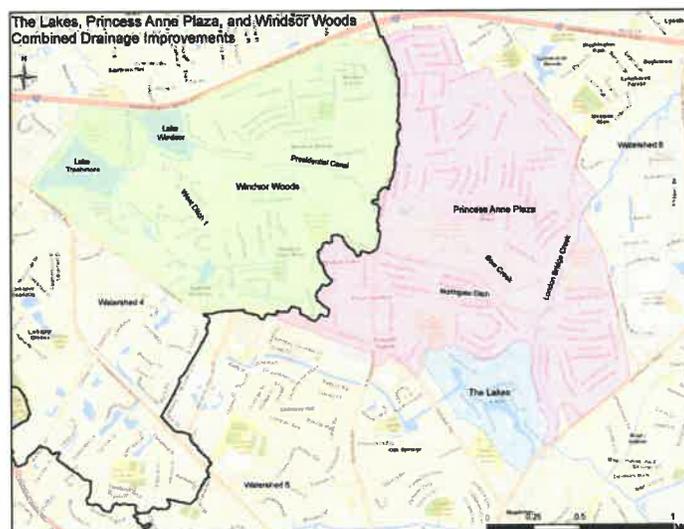
## WORK TO DATE

- Our City has a history of successful neighborhood and/or area-based improvement activities, carried out in various ways, to address various threats and issues.
- Each area is approached based on its unique issues, threats and opportunities.
- Neighborhood improvement can involve physical improvements, social improvements, service improvements, or combinations thereof.
- Our challenge is to **keep being successful, but to do it more systematically, and more proactively** so that we can be able to effectively counteract identified and potential future threats.



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## PILOT PROJECT IN THE LAKES, PRINCESS ANNE PLAZA & WINDSOR WOODS



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## PILOT PROJECT BACKGROUND

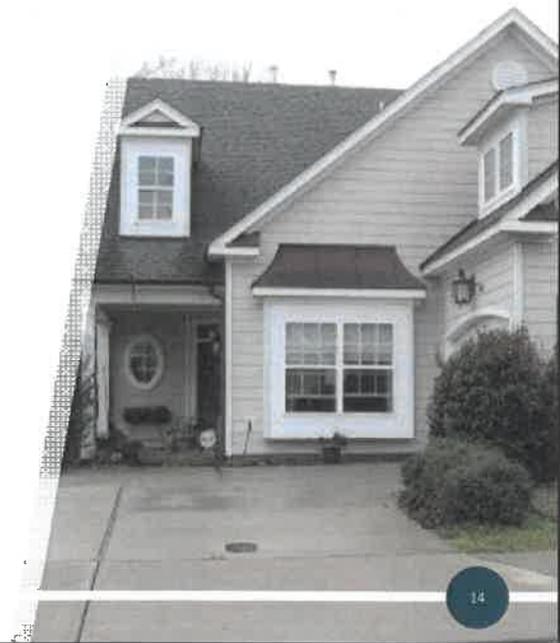
### Purposes of the Pilot Project:

- To plan for improvements coordinated with the stormwater investments that help promote a vibrant future for the neighborhood
- To develop a process template that can be replicated in future efforts
- To test programs and concepts to include as part of the overall strategy

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## PILOT PROJECT (2)

- **Based on and coordinated with plans for stormwater improvements**, work to address other issues to help ensure a vital future
- **Resident engagement planning committee established with resident and staff members**
- **Will conduct survey of residents upon leadership approval** to determine baseline perceptions and understandings
- **VHDA grant** plus other city funding to begin a design process for new housing types and styles and other opportunities
- Created **data system** to track and analyze key indicators
- Will review **zoning and development requirements** and how they can be adjusted to facilitate “build back better” and more resilient new housing
- Considering **housing finance programs** that incentivize flood resiliency improvements



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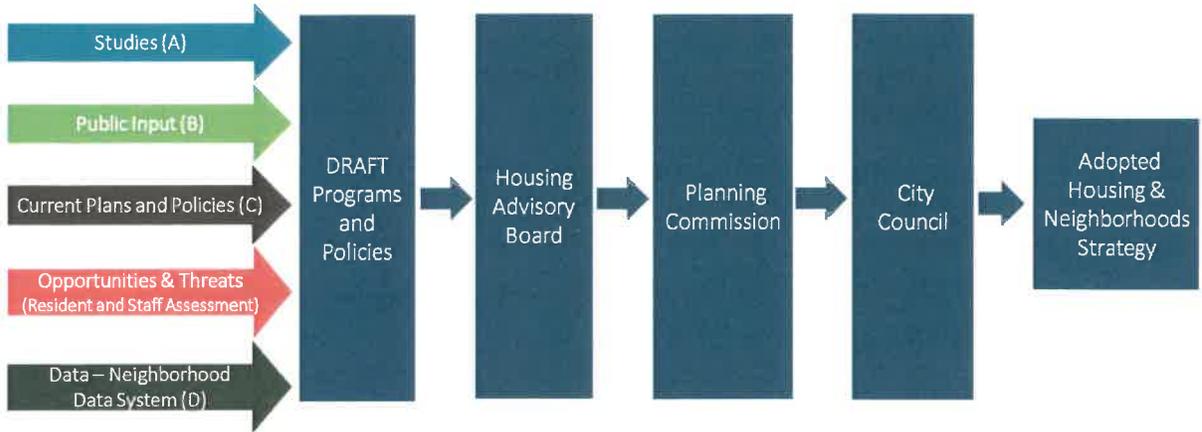
# WHAT IS A HOUSING & NEIGHBORHOODS STRATEGY?

- Defines a long term approach to achieve the city's goals for housing and neighborhoods by addressing threats and opportunities and strengths, taking appropriate governmental action, as well as stimulating and supporting private actions.
- Because of Virginia Beach's 1% annual housing growth, the majority of our housing strategy will need to **focus on reinvestment in existing housing.**
- The plan should **guide reinvestment as well as new development** in ways that are appropriate to achieve city goals.

## A HOUSING & NEIGHBORHOODS STRATEGY IN CONTEXT OF OUR PLANS, THREATS & OPPORTUNITIES



## OUR PROPOSED POLICY & PROGRAM REVIEW PROCESS



A: Housing Needs Assessment (January 2017) and Sea Level Rise Study (draft 2018)

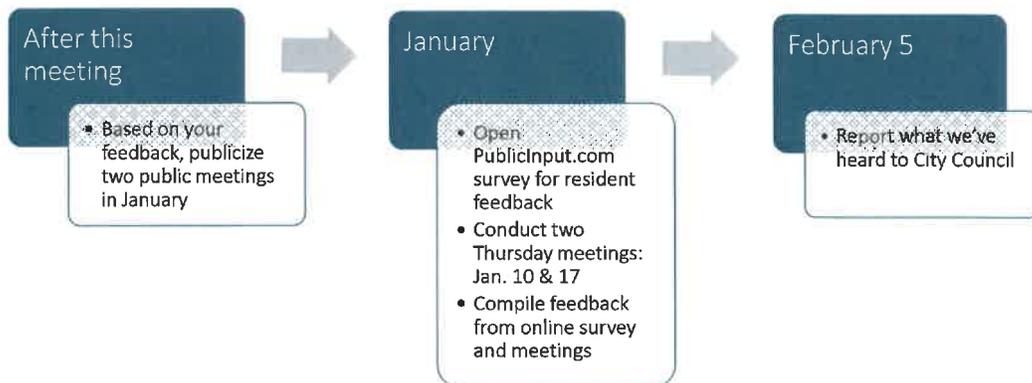
B: Public input city wide and from each neighborhood where work is planned

C: Comprehensive plan, outdoors plan, stormwater plans, etc.

D: Neighborhood data system and housing market data

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## HOW WE WILL BEGIN ENGAGING THE PUBLIC (CITYWIDE)



After this meeting

- Based on your feedback, publicize two public meetings in January

January

- Open PublicInput.com survey for resident feedback
- Conduct two Thursday meetings: Jan. 10 & 17
- Compile feedback from online survey and meetings

February 5

- Report what we've heard to City Council

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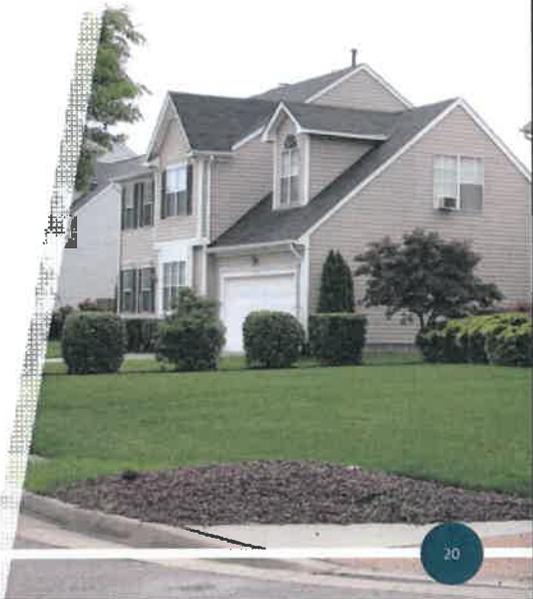
## WHAT WILL WE ASK RESIDENTS?

1. Why did you select your neighborhood and what do you like about living there?
2. What worries you about the future of your neighborhoods?
3. What are your thoughts about how your concerns can be addressed?
4. What are the 3 most important things that make a neighborhood great?
5. Anything else to consider about the future of neighborhoods?

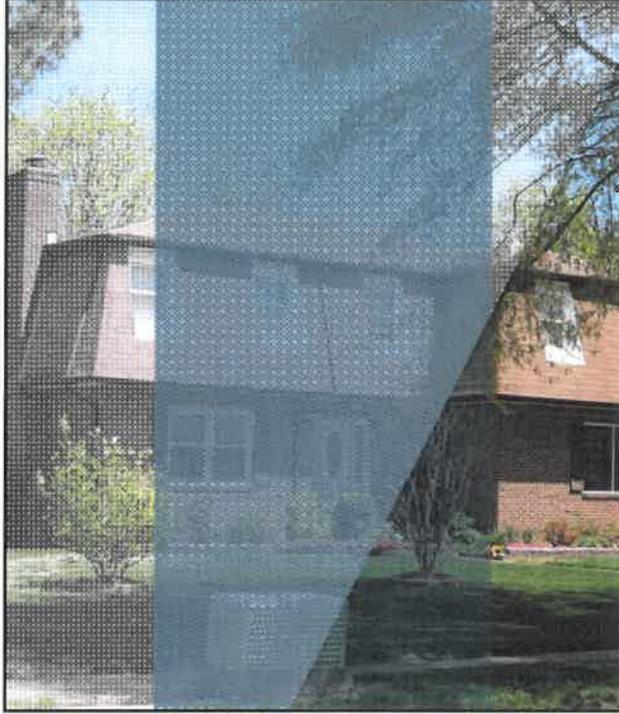
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## NEXT STEPS

- Your feedback about plan
- Resident engagement activities
- Compile responses
- Brief you in February – receive additional direction
- Proceed with planning process
- Maintain ongoing engagement with residents
- Plan follow-up briefings



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**THANK YOU**

**Your questions and  
comments...**



Andrew Friedman, Director

757.385.5752

