

Housing Advisory Board

Minutes April 15, 2019

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, Cheryl Davidson, John Georghiou, Kevin Kemp, Bob Miller, John Olivieri, and Rosemary Wilson.

Also Present: Andy Friedman, Karen Prochilo, Margaret Reyes, Victoria Rice, Jill Rinaldo, Sharon Shoff, Mark Shea, and Bobby Tajan.

Absent: Bob Dyer, Hunter Hanger, Tim McCarthy, Ron Ripley, and Addie Wright Thomason.

The meeting was called to order by John Olivieri at 3:02 p.m.

Executive Summary of Meeting

Actions Taken by the Board

- The Minutes from the December 10, 2018 meeting were approved.
- Semi-Annual Establishment of Maximum Affordable Rents and Sales Prices reviewed and unanimously approved.
- Housing Advisory Board Organizational Structure and Housing Strategy Discussion postponed to next meeting.

Presentation – Building A Housing and Neighborhoods Strategy for Virginia Beach.

Update – Design Services Consultant.

Next Meeting

May 20, 2019 at 3:00 pm at the Housing Resource Center

Detailed Minutes of Meeting

Minutes

The Board reviewed the Minutes from the December 10, 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.

Semi-Annual Establishment of Maximum Affordable Rents and Sales Prices

Karen Prochilo distributed the City of Virginia Beach Workforce Housing Program Income Guidelines and Maximum Affordable Rents dated April 15, 2019 and the Workforce Housing Program Income Guidelines effective April 15, 2019 (see attached). Karen stated that HUD has not made any changes since the last time the Board voted on Rents and Sales on September 17, 2018 and the only change made to the distributed documents was the date. Bob Miller made a motion to accept the Maximum Affordable Rents and the Maximum Affordable Sales Prices as written and provided. Rosemary Wilson seconded the motion. All Board members in attendance unanimously approved the motion.

Housing and Neighborhood Strategy

Andy Friedman advised since the last HAB meeting in December, City Council has committed itself to extensive Citizen Engagement as research in creating a vision for the City and building the new Comprehensive Plan. In response SGT4 has delayed the start of their engagement. In the interim the

Housing Advisory Board is being looked to to lay the foundation for a Housing and Neighborhood Strategy. While we cannot get ahead of Council's endeavors, a glossary of agreed upon definitions and a plan of clarified action items is necessary to achieve our goals. He added that a series of workshops will begin in May 2019 for the Board to create the building blocks of the Strategy and identify stakeholders.

[Bobby Tajan, the new Director of Planning, arrived at 3:15 p.m. – roundtable introductions]

Andy then presented "Building a Housing and Neighborhoods Strategy for Virginia Beach" dated April 15, 2019. (see attached)

Discussion:

- Rosemary Wilson – Stated that shortages on Council are being filled with champions of affordable housing. She believes the timing of this transition is more conducive to progress than it has been in the past. Separately, she noted she recently had a discussion with Economic Development about identifying under developed shopping centers that could potentially be repurposed.
- Bobby Tajan – If it is established as a zoning best practice for flooding, affordable housing, meshing of neighborhoods, etc. and it is the right direction to go in, then we can find a way to zone it. Cast out preconceptions and Planning will be the creative tool that legally finds a way to achieve the direction.
- Ann Crenshaw – Expressed concern that old infrastructure may be a problem with infill development in existing neighborhoods.
 - Andy Friedman – Preliminarily focus will be the goals and building support. There is precedence if we proceed in this manner then the City will support necessary projects. Price Street Apartments was cited as an example.
 - Bobby Tajan – There needs to be a balance between Builder/Developers and the City with a clear view of expectations and acceptability. If the City demonstrates effort towards infrastructure improvements and leverages incentives, it will inspire development.
- Bob Miller – Historically spot zoning has proven difficult. Owning fewer lots is restrictive because existing lots need to be protected and neighbors resist change. The reality of the promise of flexibility is it is challenging to coordinate and integrate. In addition to quality we should also give focus to quantity.
 - Bobby Tajan – Rather than spot zoning, a global approach of testing in the Pilot Neighborhood and implementing Stormwater projects is the best way to vet theories. The intention would be to do Zoning Overlays and then get community feedback.
- Ann Crenshaw – Older neighborhoods and more expensive neighborhoods need revitalization too, not just flooded areas. Innovative ideas are essential to achieving quality results that do not devalue adjoining properties. Education will be a key component so that everyone is speaking the same language moving forward.
- Bobby Tajan – Noted that quality is a perceived term. Additionally, affordable housing isn't just new construction. Spreading awareness that rehabilitation and repair can be a more cost-effective approach is important. He elaborated that trends are cyclical and sometimes adding a bathroom or renovating a kitchen can be a pleasing alternative to new construction.
- Andy Friedman – Shared that additional funding sources are being sought to help "the missing middle" as current Owner-Occupied Rehabilitation Programs are targeted towards lower income brackets. He also pointed out that Workforce Housing (WFH) is not just single-family homes, it can also be condominiums or rental developments.

- John Olivieri – When current construction costs are factored in it is preferable to offer better views, etc. to the full price units rather than giving them upgrades.
- John Georghiou – WFH units should be equivalent to all other units both out of respect for the recipient’s sense of self worth and because they deserve the same re-sale abilities as their neighbors.
- Cheryl Davidson – Acknowledged that this presentation and discussion are in alignment with what the Board has been meeting on for some time now.
- John Georghiou – Pointed out that current Code prohibits skipping more than 2 zonings. The policy needs to be revisited and changed to accommodate increased density and the desires of many millennials and senior citizens who want smaller homes/yards.
 - Bob Miller – R-zoning is an outdated mindset and perspective should be shifted to the context of the neighborhood, what is sustainable, and what adds value to the neighborhood. He cautioned emphasis be given to the intention of the overlay when it is presented to residents in order to minimize angst.
- Bobby Tajan – Identifying appropriate housing types is important when opportunities exist. Additional units in the form of green flats or garage apartment units can diversify and still keep the fabric of a neighborhood. Understanding people’s needs and being agile in designing a broader mix will add value.
- Andy Friedman – Timing and site-specific development is essential to public acceptance of change. Examples cited: Cloverleaf Apartments and Crescent Square. Of note, the Design Consultants have signed their contract and will be working on this effort.
 - Rosemary Wilson – Would like to see the Pattern Book brought back. She also reminded that previously Jim Spore said the City would benefit from having a Design Center.
 - Karen Prochilo – Pointed out that scale and proportion are key to design continuity.
 - John Olivieri – Stated that giving people concepts and ideas is preferable to mandates. It allows flexibility. He also said scale and proportion can be tricky in giving the public what they want and that is where creativity is necessary.
- Rosemary Wilson – Advised she sits on the Advertising Advisory Committee and while they have marketed that VB is a great place to live in addition to work and play, unfortunately, it has not caught on yet. More voices are needed to sell the idea.
 - Bob Miller – Consistency in our voices is vital. Progress is being made, but there is still significant fear of change. The perceived meanings of “affordability” and “sustainability” have varying answers per neighborhood. The most important thing we can do is develop unified definitions.
 - John Georghiou – The general assumption is that affordable equates to poor and carries negative connotations. He believes a term should be elaborated upon that it invokes thoughts of First Time Homebuyers or Retirees.
 - Bob Miller – An element of affordability is what is prioritized by each individual. Some may prefer to spend more of their money on cars or travel versus a home.
 - Andy Friedman – We need a clear, honest, and understandable marketing/engagement message. This topic will be added to the next agenda.
- Mark Shea – Transportation and Access to Transit effects affordability and should be added as a goal.
 - Bobby Tajan – Transportation is also a valuable “check box” for acquiring funding.
- Andy Friedman – Summarized by saying the upcoming series of HAB workshops will be broad in scope, identify the HAB’s role and pinpoint key stakeholders, clarify definitions, address engagement, and will ultimately conclude with a plan of action items that will achieve our goals.

The support of key stakeholders will then be in place prior to going to Council which will in turn make Council's job easier moving forward.

- Ann Crenshaw – It may be helpful to be provided with concepts in advance of the definition workshop so that all are familiar and prepared with ideas for discussion.

Request for Proposal for Design Services Update

Karen Prochilo advised in January 2019 a Kick Off meeting was held with City Staff and the Design Consultants (Work Programs Architects of Norfolk, WPL of VB, and Yard & Company of Ohio). The two-day meeting included a workshop as well as a site tour. Although the Consultants are eager to get started, they are on hold until engagement is approved. A timeline template for the Consultants has been created and will be provided to the Board once the dates are established. Karen added that WPA is also working with the SGA Office so we will receive the benefits of collaboration with SGA project(s) as well.

- Cheryl Davidson – Would like to attend the meetings.
 - Karen Prochilo – Confirmed the meetings will be listed on the timeline and the Board is encouraged to participate in them.

[VB HAB Organizational Structure dated April 5, 2019 and HAB – Housing Strategy Discussion dated April 15, 2019 handouts will be discussed at the next meeting due to lack of time (see attached).]

Next Meeting Date:

May 20, 2019 (3:00-5:00 p.m. at the Housing Resource Center)

The meeting adjourned at 4:28 p.m.

Jill Rinaldo
Recording Secretary

**CITY OF VIRGINIA BEACH WORKFORCE HOUSING PROGRAM
INCOME GUIDELINES AND
MAXIMUM AFFORDABLE RENTS
April 15, 2019**

Workforce Housing Income Guidelines Effective April 15, 2019									
# Persons in Household		1	2	3	4	5	6	7	8
40%	Income Limit	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400	\$34,800	\$37,200	\$39,600
50%	Income Limit	\$26,250	\$30,000	\$33,750	\$37,500	\$40,500	\$43,500	\$46,500	\$49,500
60%	Income Limit	\$31,500	\$36,000	\$40,500	\$45,000	\$48,600	\$52,200	\$55,800	\$59,400
70%	Income Limit	\$36,750	\$42,000	\$47,250	\$52,500	\$56,700	\$60,900	\$65,100	\$69,300
80%	Income Limit	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
90%	Income Limit	\$47,250	\$54,000	\$60,750	\$67,500	\$72,900	\$78,300	\$83,700	\$89,100
100%	Income Limit	\$52,500	\$60,000	\$67,500	\$75,000	\$81,000	\$87,000	\$93,000	\$99,000

Area Median Income (AMI) for a household of 4 as established by HUD. Effective 4/1/18.

Max. Affordable Monthly Rent* (includes tenant-paid utility allowance) Effective April 15, 2019					
Household Income	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
40% AMI	\$525	\$600	\$675	\$810	\$870
50% AMI	\$656	\$750	\$844	\$1,013	\$1,088
60% AMI	\$788	\$900	\$1,013	\$1,215	\$1,305
70% AMI	\$919	\$1,050	\$1,181	\$1,418	\$1,523
80% AMI	\$1,050	\$1,200	\$1,350	\$1,620	\$1,740
90% AMI	\$1,181	\$1,350	\$1,519	\$1,823	\$1,958
100% AMI	\$1,313	\$1,500	\$1,688	\$2,025	\$2,175

While the 4-person AMI is established annually by HUD, the Max. Affordable Monthly Rents are established semi-annually by the Workforce Housing Advisory Board (April & October). Unless the Board changes the formula for calculating the rents, the rents typically will not change in October.

Factors used in the calculation of rents:

Area Median Income (AMI)

Housing Ratio = 30%

Occupancy Standard of 1.5 Persons per Bedroom (similar to Housing Tax Credits)

Unit Size	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Occupancy Standard	1	2	3	5	6

Formula used in the calculation of rents:

AMI for Occupancy Standard Established for Unit Size X housing Ratio / 12 Months = Max. Affordable Rent

Example: 40% AMI for household of 3 (occupancy standard for 2 bedrooms) = \$27,000 X .30 / 12 = \$675

**All tenant-paid utilities (not to include cable television, internet or telephone service) must be deducted from the above rent. Developers/Property Managers may use the Department of Housing and Neighborhood Preservation Section 8 Utility Allowance Chart, or obtain a letter from the local utility company in order to establish the average monthly utility allowance.*

NOTE: PURSUANT TO SECTION 16-54 OF THE CITY CODE, RENTAL PRICES IN EXCESS OF THOSE ESTABLISHED BY THE WORKFORCE HOUSING ADVISORY BOARD, AS NOTED ABOVE, SHALL BE ALLOWED IF SUCH PRICES ARE CONSISTENT WITH THE REQUIREMENT OF AFFORDABLE HOUSING FUNDING SOURCES AND ARE APPROVED BY THE DIRECTOR OF THE DEPARTMENT OF HOUSING AND NEIGHBORHOOD PRESERVATION.

**WORKFORCE HOUSING PROGRAM
INCOME GUIDELINES
Effective April 15, 2019**

Workforce Housing Program Income Guidelines								
Household Income	Number in Household							
	1	2	3	4	5	6	7	8
120% Area Median Income	\$63,000	\$72,000	\$81,000	\$90,000	\$97,200	\$104,400	\$111,600	\$118,800
110% Area Median Income	\$57,750	\$66,000	\$74,250	\$82,500	\$89,100	\$95,700	\$102,300	\$108,900
100% Area Median Income	\$52,500	\$60,000	\$67,500	\$75,000	\$81,000	\$87,000	\$93,000	\$99,000
90% Area Median Income	\$47,250	\$54,000	\$60,750	\$67,500	\$72,900	\$78,300	\$83,700	\$89,100
80% Area Median Income	\$42,000	\$48,000	\$54,000	\$60,000	\$64,800	\$69,600	\$74,400	\$79,200
70% Area Median Income	\$36,750	\$42,000	\$47,250	\$52,500	\$56,700	\$60,900	\$65,100	\$69,300
60% Area Median Income	\$31,500	\$36,000	\$40,500	\$45,000	\$48,600	\$52,200	\$55,800	\$59,400
50% Area Median Income	\$26,250	\$30,000	\$33,750	\$37,500	\$40,500	\$43,500	\$46,500	\$49,500
40% Area Median Income	\$21,000	\$24,000	\$27,000	\$30,000	\$32,400	\$34,800	\$37,200	\$39,600

The Area Median Income (AMI) for a Household of 4 as established by the U.S. Department of Housing and Urban Development (HUD) is \$75,000.

Homebuyers: To purchase a home under the Workforce Housing Program, a household's gross annual income cannot be less than 80% of the AMI or greater than 120% of the AMI, based on household size.

Renters: To rent an apartment under the Workforce Housing Program, a household's gross annual income cannot be less than 40% of the AMI or greater than 90% of the AMI based on household size. If the apartment building contains an elevator, the household's gross annual income cannot exceed, 100% of the AMI, based on household size.

Building A Housing and Neighborhoods Strategy for Virginia Beach

April 15, 2019 Presentation to Housing Advisory Board
Andrew Friedman, Director, DHNP

Background

2017 Housing Needs Assessment and Market Analysis identified key threats to the future of Virginia Beach's housing:

- aging housing,
- outdated housing designs,
- housing affordability,
- areas of inadequate maintenance
- reinvestment

The study recommended strategies to mitigate those threats.



Background and Rationale

Revitalizing neighborhoods is a top priority goal of City Council.

Sea level rise and recurrent flooding are major threats to the city, impacting the viability of some neighborhoods and the cost of some housing. 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

Background and Rationale

- 2

Residential real estate values in Virginia Beach exceeds \$47 billion. Property tax revenues exceeds \$470,000,000 annually.

Ensuring the continued vitality of the housing market is critical. for property owners, renters and the city government itself.

The size of the market clearly means that the great majority of actions will be private. Government actions to address it must be strategic and limited to those areas where the market is not or cannot work effectively.

Address issues in a coordinated, integrated manner based on data and analysis, most effectively uses available resources, and helps to stimulate or supplement, not replace, private actions.

An integrated housing and neighborhoods strategy is needed.

What is a Housing and Neighborhoods Strategy?

- ▶ Defines a long term approach to achieve the city's goals for housing and neighborhoods by addressing threats, 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 focus on reinvestment in existing housing
- ▶ Guides new development in ways that are appropriate to achieve city goals

A Housing and Neighborhoods Strategy in Context of Our Plans, Threats & Opportunities



Building Blocks of a Housing Strategy Zoning, Land Use and Development

Goals

- Support appropriate new development in existing neighborhoods to demonstrate new types and styles; and stimulate re-investment
- Protect housing and neighborhoods from flooding
- Allow new types/styles of housing in SGA's and surrounding areas with affordability
- Redevelop strip shopping centers to mixed use

Building Blocks of a Housing Strategy Safety and the Perception of Safety

Goals

- Ensure continued support of Police capacity for, and strategies related to, neighborhood safety
- Ensure continued support of Code Enforcement capacity for, and strategies related to ensuring the maintenance of housing and the elimination of blighting conditions
- Support the accurate understanding of crime and perception of safety by residents and stakeholders

Building Blocks of a **Housing Strategy** **Housing Affordability**

Goals

- Existing low/moderate income homeowners can afford to re-invest
- Moderate income homeowners can re-invest and/or make flood-resistance improvements
- A proportion of new single-family housing is affordable
- A reasonable relationship between renter income and rental costs for low/moderate income renters
- Existing affordable housing is preserved and rehabilitated
- New mixed-income apartment complexes are developed and accepted as an important part of future city development

Building Blocks of a Housing Strategy **Design**

Goals

- New types and styles of housing and mixed development are created that appeal to current and future buyers
- Existing housing is rehabilitated or remodeled to modernize it
- Create an ongoing urban design advisory function
- New designs are chosen and implemented

Building Blocks of a Housing Strategy Marketing

Goals

Our city, our housing and our neighborhoods are celebrated as great places to live; and people from the region and the country or key markets know about their positive attributes

Building Blocks of a Housing Strategy Maintenance and Operations

Goals

- Housing and private property are well-maintained
- Maintain the appropriate level of public services that support the reality and perception of a well-maintained neighborhoods
- Infrastructure is well-maintained and enhanced to meet future needs/issues

Building Blocks of a Housing Strategy Sea Level Rise and Recurrent Flooding

Goals

The impacts of future flooding is mitigated in existing and new housing ; our city's housing and neighborhoods are more resilient.

Protection from Flooding and Sea Level Rise

Building Blocks of a Housing Strategy Redevelopment/Re-use of Property

Goals

Policy and capability to identify and take action to acquire, including acquisition and re-use capability

Building Blocks of a Housing Strategy Measuring Progress/Defining Success

Goals

- Meaningful and measurable goals are set and data to support them is collected
- Available data is analyzed, reported on and used to inform strategies and actions

Building Blocks of a Housing Strategy City Planning and Implementation

Goals

- The City has the ongoing and dedicated capability to plan and implement the identified strategies as part of people's full time jobs

How to Go Through a Process of Building a Housing and Neighborhood Strategy

Stakeholder involvement and support through discussions and transparency.

- Utilize the Housing Advisory Board (HAB) for the explicit purpose of advising City leadership on housing strategy
 - HAB is the first stop in review process
- Obtain public input and engagement opportunities
 - Include Hampton Roads Realtors Association and the Tidewater Builders Association
- Review, revise, and finalize a proposal with the Housing Strategy Task Force
- Propose and present to the Planning Commission
- Propose and present to City Council

**Thank you!
Questions
and Comments!**

HOUSING ADVISORY BOARD – HOUSING STRATEGY DISCUSSION
April 15, 2019

Who are we? Who are our stakeholders?

**Organizational Structure
Discussion on sub-committees**

Relationships (CC, DHNP, HAB, PC, Planning)

Discussion on stakeholders

What is it we are creating?

Housing and Neighborhood Strategy

How do we proceed?

Research

Education

Discussions

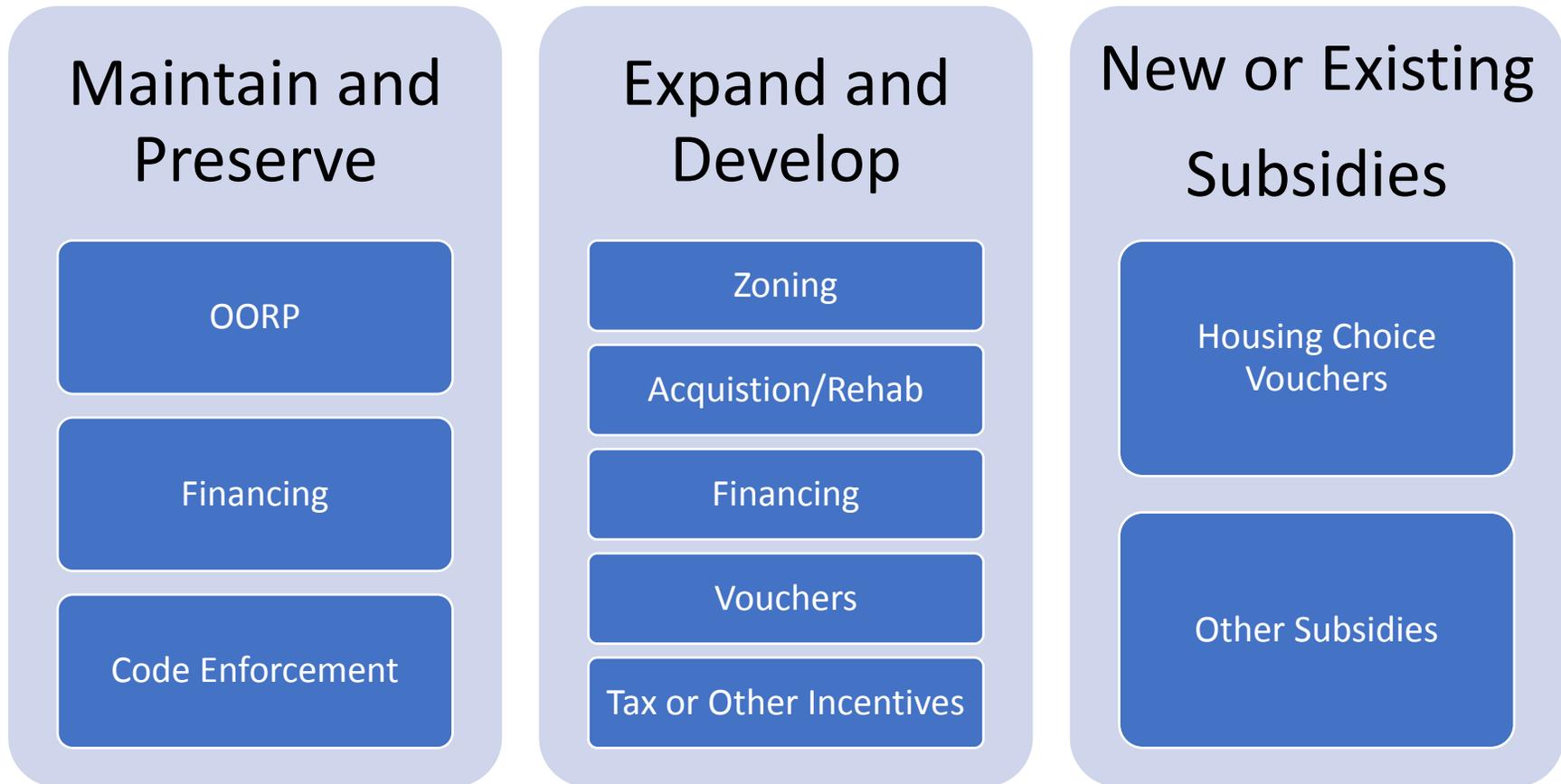
Study

Community Engagement

Ask the questions:

1. What is affordable housing?
2. How is it created and preserved?
3. What is a Housing Strategy? What is a Neighborhood Strategy? Can they be combined?

HOUSING ADVISORY BOARD – HOUSING STRATEGY DISCUSSION
April 15, 2019



Discussion:

1. Agree on the pictures of the affordable housing puzzle
2. Decide on how to address the pieces
3. Next Steps and Assignments

**VIRGINIA BEACH HOUSING ADVISORY BOARD
ORGANIZATIONAL STRUCTURE – April 5, 2019**

