

VIRGINIA HOUSING COMMISSION

Delegate Thelma Drake, Chair

REPORT - 2004 INTERIM

SUMMARY OF ACTIVITIES

- Held three meetings over the course of the interim (June 8, July 6 and November 15).
- Relocated staffing and administrative support to the Division of Legislative Services.
- Established three work groups in developing a statewide housing policy: i) Regulatory and Financial Issues, ii) Local Revitalization and Blight Removal, and iii) Special Populations.
- Reviewed and incorporated key housing policy documents in the statewide housing policy study: i) Report of the Secretary of Commerce and Trade on the Regulatory Barriers to Housing Affordability, (1995), ii) Meeting Our Nation's Housing Challenges, the Millennial Housing Commissions (2002), iii) Rethinking Local Affordable Housing Strategies, Brookings Institution and the Urban Institute (2003), and iv) Comments from a coalition of housing groups on the Housing and Urban Development's Initiative on Removal of Regulatory Barriers.
- Established an eminent domain work group to review and provide recommendation on referred legislation.
- Established Commission website to serve as an information resource and focal point for housing partners.

MEETING SUMMARY

June 8, 2004, General Assembly Building, House Room C, Richmond, Virginia

Members in Attendance:

Delegate Thelma Drake, Chair
Delegate Jackie Stump, Vice Chair
Senator William C. Mims
Delegate Terrie L. Suit
Senator Marry Margaret Whipple
Delegate Bradley P. Marrs
Delegate Melanie Rapp
Senator Mamie Locke
F. Gary Garczynski
F. Andrew Heatwole
T.K. Somanath
Staff: Nancy Ambler, Nancy Blanchard

Delegate Drake called the first meeting of the interim, which also served as the Commission's organizational meeting, to order at 1:00 p.m.

I. Election

The first order of business was the election of the leadership. The Commission elected **Delegate Drake** as Chair and **Delegate Stump** as Vice-Chair.

II. Administrative Support

The Commission then discussed a proposal made by **Delegate Suit** for changing the manner in which the Commission is staffed and funded. Under the proposal, the Commission would cease having an independent Executive Director and separate office space and have all of its staffing and support services provided by the Divisions of Legislative Services. This staffing and administrative support change would result in saving the \$174,000 provided for the support of the Commission from general fund appropriations. The Commission voted 10-1, with **Delegate Stump** in opposition, to accept the proposal.

III. Reports From Agency Partners

The Commission then received reports from the following state agency partners:

- Susan F. Dewey, Executive Director, Virginia Housing Development Authority
- William C. Shelton, Director, Department of Housing and Community Development

- Dr. C. Theodore Koebel, Director, Virginia Center for Housing Research, Virginia Polytechnic Institute and State University

After the reports, **Delegate Drake** noted that House Joint Resolution 152, passed during the 2004 legislative session, directed the Commission to develop a housing policy for the state. She stated that as a part of developing that policy, the Housing Needs Assessment for the Commonwealth, completed by the Virginia Housing Development Authority and the Department of Housing and Community Development in 2001, would be used by the Commission as important background material for developing the housing policy.

IV. Panel Discussion – Critical Housing Challenges Development of Work Groups

Delegate Drake also noted that in an effort to update the Assessment and ensure that the Commission identifies the most critical housing challenges now facing the state, a panel discussion consisting of the eight housing policy leaders. **Becky Clay Christensen** of Christensen & Associates facilitated the panel discussion. The panel consisted of:

- Susan F. Dewey, Executive Director, Virginia Housing Development Authority
- William C. Shelton, Director, Department of Housing and Community Development
- Dr. C. Theodore Koebel, Director, Virginia Center for Housing Research, Virginia Polytechnic Institute and State University
- Constance Chamberlin, Director, Housing Opportunities Made Equal
- Andrew Friedman, Department of Housing and Neighborhood Preservation, City of Virginia Beach
- John R. Broadway, Virginia Association of Realtors
- Mark S. Ingaio, Apartment and Office Building Association
- Michael Toalson, Home Builders Association of Virginia

After a brief introduction, each panelist provided the Commission with key issues that they felt should be included in the housing policy study.

At the completion of the panel discussion, **Ms. Christensen** proceed to open the discussion to Commission members with the objective of identifying i) housing production and availability challenges, ii) housing policy work groups, and iii) the housing policy mission statement.

Ms Christensen assisted the Commission in developing the possible work group areas based on the issues raised by panel discussion. The areas were:

1. Local government ordinances, comprehensive plans and zoning as applied to housing production and the elimination of housing barriers to the availability and affordability of housing.
2. Regional approaches to developing housing policies
3. Local Revitalization and blight programs and the implication that such programs have on state housing policies
4. Financial issues related to housing production, and
5. Housing needs of special populations

Mr. Garczynski stated that there were several housing policy documents that have already developed affordable housing policies after comprehensive study, some including several years of data. He suggested that the Commission obtain summaries of those documents to assist in developing its direction. The reports consisted of i) Report of the Secretary of Commerce and Trade on the Regulatory Barriers to Housing Affordability, (1995), ii) Meeting Our Nation's Housing Challenges, the Millennial Housing Commissions (2002), iii) Rethinking Local Affordable Housing Strategies, Brookings Institution and the Urban Institute (2003), and iv) Comments from a coalition of housing groups on the Housing and Urban Development's Initiative on Removal of Regulatory Barriers.

In addition, the consensus of the Commission was also to have **Ms. Christensen** return to the next meeting of the Commission to assist in the completion of the housing policy work group designations and the study mission.

V. Overview of Legislative Initiatives

Delegate Drake provided an overview of the Commission's 2004 legislative initiatives and the study agenda for the interim. In terms of legislation, **Delegate Drake** noted that House Bill 824, relating to the issue of mold in residential rental dwelling units and House Bill 829 pertaining to elevator safety, were passed by the General Assembly and signed into law by the Governor. In addition, **Delegate Drake** stated that in addition to House Joint Resolution 152, which passed both houses of the legislature unanimously, set forth the housing policy study requirement of the Commission, Senate Joint Resolution 95, patroned by Senator Louis Luca, requested the Commission to include in its statewide housing policy study the impact of blighted properties in older urban communities.

Delegate Drake then informed the Commission that two other bills relating to eminent domain, House Bill 822 and Senate Bill 301, had also been referred to the Commission and that they would be addressed by an eminent domain work group.

Delegate Drake also noted the passage of House Bill 1231, which established the Commission as a standing legislative commission by amending the Code of Virginia to add and enabling statute for the Commission.

The meeting ended with an overview of the work schedule for the 2004 interim. **Delegate Drake** indicated that the work of the Commission must be completed in time for its final meeting scheduled for November 15, 2004, at the Norfolk Waterside Marriott immediately prior to the Governor's Conference on Housing. The next meeting was scheduled for July 6, 2004.

The meeting adjourned at 3:20 p.m.

MEETING SUMMARY

July 6, 2004, General Assembly Building, House Room C, Richmond, Virginia

Members in Attendance:

Delegate Thelma Drake, Chair
Delegate Jackie Stump, Vice Chair
Senator William C. Mims
Delegate Terrie L. Suit
Senator Marry Margaret Whipple
Delegate Bradley P. Marrs
Delegate Melanie Rapp
Senator Mamie Locke
F. Gary Garczynski
F. Andrew Heatwole
T.K. Somanath
Staff: Amigo Wade, Lisa Gilmer

I. Establishment of Work Group

Delegate Drake called the meeting to order at 1:00 p.m. **Becky Clay Christensen** began with a continuation of the discussion regarding the establishment of work groups for the housing policy study. **Ms. Christensen** presented a compilation of the discussion from the last meeting that included over 22 issues and 9 major themes. **Ms. Christensen** stated that the issues and themes appeared to coalesce around three key areas:

1. Local Government- (eliminating barriers)
 - Comprehensive Plans
 - Zoning
 - Fees
2. Local Revitalization and Blight Removal
 - Including issues on poverty and homelessness
3. Special Populations
 - Disabled
 - Homeless
 - Fair Housing
 - Immigrant Housing

The Commission then accepted Ms. Christensen's report.

II. Overview of Selected Housing Policy Documents

Amigo Wade, Senior Attorney with the Division of Legislative Services provided the Commission with an overview of selected housing policy documents: of i) Report of the Secretary of Commerce and Trade on the Regulatory Barriers to Housing Affordability, (1995), ii) Meeting Our Nation's Housing Challenges, the Millennial Housing Commissions (2002), iii) Rethinking Local Affordable Housing Strategies, Brookings Institution and the Urban Institute (2003), and iv) Comments from a coalition of housing groups on the Housing and Urban Development's Initiative on Removal of Regulatory Barriers. **Mr. Wade** stated that while the documents all pertained to affordable housing and the establishment of effective housing policies, each took a different approach and scope. Even with the different approaches and scopes, the documents generally agreed on four concepts

1. There should be more flexibility in the administration of housing programs to allow more timely response to local market conditions and greater efficiency in operation;
2. Sufficient financial incentives are needed to increase private participation in affordable housing programs;
3. Alternative or innovative funding mechanism to increase production of affordable housing and should be pursued; and
4. Poor implementation and administration of housing programs produce harmful and unintended outcomes.

Mr. Wade stated that other issues discussed by two or more of the documents included the need for better understanding of the connection between land use policies and the production of affordable housing, the need for affordable housing strategies to take a more regional approach, the lack of employment or sufficient income as the principal barrier to housing affordability, and the examination and removal of program limitations that have outlived their purpose. **Mr. Wade** then proceeded to provide a brief overview of each of the housing policy documents.

III. Mission Statement- Housing Policy Study

After receiving the review of the housing policy documents, the Commission briefly discussed the draft mission for the housing policy mission that had been previously provided to the members. **Mr. Garczynsky** expressed concern that the draft statement was too long. He suggested that it be shortened. After brief discussion among the membership, it was the consensus that the following mission for the housing policy study:

The mission of the Virginia Housing Commission Statewide Housing Policy Study is to identify, analyze, and develop recommendations that provide for housing sufficient to meet the current and future needs of Virginians of all income levels.

IV. Designation of Work Groups

The Commission then moved to the designation of the work group components of the state housing policy study. At the request of **Delegate Drake**, **Mr. Wade** presented three suggested work group designations and charges based on the work sessions facilitated by Ms. Christensen:

Work Group #1 – Regulatory and Financial Issues

Review and recommend policies aimed at identifying and alleviating regulatory and financial obstacles to the production and maintenance of affordable housing; develop incentives for local government to eliminate regulatory barriers; and review the impact of economic development on affordable housing.

Work Group #2 – Local Revitalization and Blight Removal

Identify community revitalization trends, issues and opportunities at the local, regional and state levels; review existing statutory provisions dealing with blight removal and the enforcement of the Uniform Statewide Building Code and other relevant regulatory provisions to determine which statutes and enforcement provisions are successful and which are not successful.

Work Group #3 – Special Populations

Review and recommend policies to alleviate housing affordability and availability of housing for special populations including, but not limited to the disabled, recent immigrants, and the homeless. In addition, the work group shall review and make recommendations, if needed, to improve the state fair housing policies.

The suggested charges were unanimously accepted. It was also the consensus of the Commission that the Regulatory and Financial Issues and Local Revitalization and Blight Removal Work Groups begin their work during the 2004 interim, provide a status report to the Commission at the November 15, 2004, meeting, and submit a final report at the end of the 2005 interim. It was further agreed that the Special Populations work group begin its work at the beginning of the 2005 interim.

Delegate Drake also stated that an Eminent Domain work group would be established to deal with the eminent domain legislation that had been referred to the Commission.

The meeting adjourned at 2:55 p.m.

MEETING SUMMARY

November 15, 2004, Hampton Room 3, Waterside Marriot, Norfolk, Virginia

Members in Attendance:

Delegate Jackie Stump, Vice Chair

Delegate Terrie L. Suit

Senator Marry Margaret Whipple

Senator Mamie Locke

F. Andrew Heatwole

T.K. Somanath

Staff: Amigo R. Wade, Elizabeth Palen, Lisa Gilmer

Members Absent:

Delegate Thelma Drake, Chair

Senator William C. Mims

Delegate Bradley P. Marrs

Delegate Melanie Rapp

F. Gary Garczynski

Delegate Stump called the meeting to order at 3:20 p.m. **Basil Gooden** welcomed the Commission to the 2004 Governor's Housing Conference and gave highlights of conference events.

I. Overview of Activities

Amigo R. Wade then provided the Commission with an overview of its activities over the course of the interim. The highlights included relocated staffing and administrative support to the Division of Legislative Services, establishing three work groups consisting of stakeholders and interested parties to assist in the development of a statewide housing policy, establishing an eminent domain work group to review and provide recommendations on legislation referred to the Commission, and establishing a website to serve as an information resource.

Mr. Wade then provided the Commission with an overview of the status reports from three work groups that met over the interim:

Eminent Domain Work Group

- Held four meetings over the course of the interim (July 14, September 23, October 28 and November 15).
- Performed an overall review of the eminent domain statutes.

- Reviewed use of eminent domain by the Virginia Department of Transportation and Housing Authorities.
- Developed recommendations for Senate Bill 301 pertaining to the repurchase of land conveyed pursuant to the exercise of eminent domain but used by the condemning agency within a specified time.
- Received draft legislation limiting the circumstances under which real property may be acquired and subsequently transfer it to a private entity.
- Received public comment pertaining to the eminent domain reform.

Regulatory and Financial Issues Work Group

- Held two meetings over the course of the interim (August 9 and October 21).
- Conducted an extensive review of the status of recommendations made by the 1995 Report of the Secretary of Commerce and Trade on Regulatory Barriers to Housing Affordability (House Document No. 54, 1995)
- Reviewed the planning review cycles and processes used by local planning commissions
- Developed issues relating to the regulatory barriers that are particular to nonprofit housing providers

Local Revitalization and Blight Removal

- Held two meetings over the course of the interim (September 23, and October 28).
- Reviewed statutory provisions pertaining to blight removal.
- Obtain perspective on local revitalization efforts as such efforts pertain to older, traditional cities.
- Included the study of the impact of blighted or deteriorated properties in older urban communities as required by Senate Joint Resolution 95 (2004)
- Received presentations and information concerning:
 - i) developer's perspective of blight removal process,
 - ii) status of brownfields efforts,

- iii) successful redevelopment projects, and
- iv) cooperative efforts between traditional cities and surrounding localities.

II. Update on the Status of Visitability Initiative

At the conclusion of the work group status update, **Louise Ware**, Director of the Department of Professional and Occupational Regulation (DPOR) provided the Commission with an update on the status of the efforts that have been made on improving housing visitability. She stated that DPOR and the American Institute of Architects and the Home Builders Association had worked together to increase the emphasis on housing visitability in the state. **Ms. Ware** cited information mailings provided to architects around the state and an initiative to with schools of architecture in the state as efforts to increase the visitability awareness. **Mr. Heatwole** asked if the visitability outreach efforts included civil engineers. **Ms. Ware** responded that the intention was to include as many design professional and that engineers were the next target group.

Delegate Suit asked **Ms. Ware** if she was aware of any localities that had enacted ordinances to prohibit slab construction. **Ms. Ware** responded that she was not aware of any. **Mark Flynn** stated that, to his recollection, Suffolk was the only locality that had enacted such an ordinance and that it was done because of water problems with houses that are built at grade. He further noted that zoning ordinances may not override the Uniform Statewide Building Code.

Delegate Suite then asked **Ms. Ware** of ran update on funding for the Fair Housing Board, which is housed at DPOR. **Ms. Ware** stated that while the board was still being funded by the Real Estate Board and that the agency was making efforts to increase participation in the voluntary certification program, **Ms. Ware** noted that the fair housing training was going very well with administrative law judges provided much of the training.

Delegate Suit then suggested that the agency look into including Common Interest Communities in the fair housing training. Senator Whipple, who chaired the Commission's Visitability Work Group, thanked Ms. Ware.

III. Rental Assistance Proposal

Carolyn D. McPherson, Executive Director of the Samaritan House Safe Harbor, provided the Commission with information in support of a Virginia Rental Assistance Program. **Ms. McPherson** noted that Virginia is one of the least affordable states in the nation for renters and that a rental assistance program was much needed. She provided a handout detailing the need for the program and proposing a budget amendment in the amount of \$2.3 million sought by the Virginia coalition for the Homeless and Social Action Linked Together (SALT) to fund a pilot rental assistance program for working poor families.

Senator Whipple stated that the rental assistance program could be included in the Commission's housing policy study. She further stated that the review should also include rental assistance for those coming off of TANF because those individuals do not receive any assistance. **Senator Whipple** asserted that the state should look at funding a relatively low cost program to help make the transition from welfare to work make. Such a program would be more cost effective. **Delegate Stump** stated that the Commission could look into the rental assistance and funding issue over the next interim. **Senator Locke** stated that a pilot program would be very beneficial. **Mr. Somanath** added that the need for rental assistance will be even more critical as federal programs are in danger of being dismantled and this would be problematic for low-income families, families moving from welfare to work and seniors. He stated that he would like to see the issue studied more thoroughly.

Mr. Heatwole asked how the pilot program would be administered. **Ms. McPherson** stated that it would likely be administered at the state level by the Department of Housing and Community Development. **Mr. Heatwole** then stated that it was his understanding the some areas were having problems with landlord accepting vouchers. He stated that the program would have to find a way to increase landlord participation.

Delegate Suit asked if a state rental assistance program would be duplicative of the federal Section 8 (housing voucher) program. **Senator Whipple** stated that it was her understanding that many of localities that were involved with the program had extensive waiting lists that were several years behind. The state rental assistance program would be temporary. **Senator Whipple** noted that often elderly residents come to her county (Arlington County) get rental assistance because rents for those individuals are in some instances slightly higher than Section 8 income requirements.

Senator Whipple then asked if it were appropriate for the Commission to establish a rental assistance work group or if the issue could be included in the Regulatory and Financial Issues Work Group. Mr. Wade indicated that the charge of that work group was sufficient to include the study of a pilot rental assistance program. **Mr. Andrew Friedman**, of the Virginia Beach Housing Authority, added that in his locality the waiting list was so extensive that no additions were being accepted and that the wait was several years long. Delegate Suit asked if the income of all households members was taken into consideration when determining eligibility. Mr. Friedman stated that the income of adults in the household were included and that eligibility requirements were enforced.

IV. Other Business

Senator Whipple stated that in the past, the Commission has endorsed the idea of funding for the Virginia Housing Partnership Fund. In keeping with that support, Senator Whipple moved that the Virginia Housing Commission formally support funding in the state budget for a Virginia Housing Partnership Fund. **Mr. Somanath** seconded the motion and it passed unanimously.

Delegate Stump informed the Commission that he had spoken with Nancy Ambler and that she was unable to attend the meeting because she had a prior commitment.

Mr. Frank Ottofaro requested the opportunity to speak. **Delegate Stump** noted that the Eminent Domain Work Group had met four times and that Mr. Ottofaro and other concerned citizens had been given the opportunity to provide public comment at two of the meetings. **Delegate Stump** further noted that since the Eminent Domain Work Group had determined not to take action and that it would not be appropriate to entertain further comment.

The meeting adjourned at 4:15 p.m.