

## **NOTICE OF SPECIAL MEETING**

A SPECIAL MEETING OF THE CHARLOTTESVILLE CITY COUNCIL WILL BE HELD ON Thursday, October 4, 2018, AT 10:00 a.m. AT THE Albemarle County Office Building at 1600 5th Street, in Room A.

THE PROPOSED AGENDA IS AS FOLLOWS:

Joint Charlottesville City Council / Albemarle County Board of Supervisors Work Session to discuss: Memorandum of Understanding reviews; Affordable Housing area-wide strategy; Economic Development; Regional Transit Partnership Update; and the Revenue Sharing Agreement.

BY ORDER OF THE CITY COUNCIL

BY Brian Wheeler

### **Albemarle County Office Building at 1600 5th Street, Room A – October 4, 2018**

Council met in a joint meeting with the Albemarle Board of Supervisors on this date with the following members present — Charlottesville City Council: Ms. Nikuyah Walker; Ms. Heather Hill; Ms. Kathy Galvin; and Mr. Mike Signer. Absent: Dr. Wes Bellamy. Albemarle Board of Supervisors: Ms. Diantha McKeel; Mr. Ned Gallaway; Mr. Norman Dill; Dr. Liz Palmer. Ms. Ann Mallek arrived at 10:29 a.m. Mr. Rick Randolph arrived at 12:01 p.m.

Ms. Walker called the Charlottesville City Council to order at 10:12 a.m.

Mr. Norman Dill called the Albemarle Board of Supervisors to order.

#### **Introductions**

#### **Economic Development**

Mr. Chris Engel, Economic Development Director for the City of Charlottesville, and Mr. Roger Johnson, Economic Development Director for Albemarle County, made a joint presentation related to collaborative efforts on economic development.

#### **Revenue Sharing Agreement**

Ms. Leslie Beauregard, Assistant City Manager of Charlottesville, presented a summary of regional services, programs and initiatives. The FY 2018 Revenue Sharing amount is \$15,855,485 and the total investment in regional services, programs and initiatives from city operating budgets in FY 2018 was identified in the summary as \$19,129,410.

Ms. Beauregard also presented a report of capital expenditures supporting regional services. A total of \$13,606,381 was identified as having been to support previously adopted projects and an additional \$20,763,654 was identified as supporting future capital projects for fiscal years 2019-2023.

Mr. Dill asks the City and County Attorneys if this format of report was sufficient per the legislation approved in the 2018 General Assembly [H.B. 1148].

Mr. Greg Kamptner, Albemarle County Attorney, said the report must include the amount of money transferred and the uses of such funds by the receiving locality. Separately he indicated the legislation says that both bodies should annually discuss future plans for economic growth.

Mr. John Blair, City Attorney, said that beyond explaining the use of funds, he didn't see any further requirements in the bill except that the localities convene an annual meeting which this meeting would satisfy.

Ms. McKeel said it would be beneficial to have additional information in the future to support increased communications with the public about how revenue sharing funds from the County are invested.

Ms. Galvin suggested we show the percentage of each locality's share of the relevant investments in the programs overall.

Mr. Signer said the narrow requirements of the law might not fully capture what the City is providing in support of County residents. For example, he said this report wouldn't capture programs like the City's Parks & Recreation facilities which are used by County residents. He said the City provides a rich set of regional benefits utilized by County residents.

Ms. Mallek said the public believes funds should be used for joint projects.

Mr. Gallaway said that revenue sharing funds go into the City's general fund and they are then budgeted accordingly. He said there could be an accounting and budgeting practice of tracking these funds specifically towards revenue sharing projects.

Ms. Galvin said that the report presented provides that information.

Ms. Hill said we could also try and identify the revenues forgone by the City when it ended annexation and agreed to the revenue sharing agreement.

Dr. Palmer said she would like to see more collaborative work on specific issues of mutual interest (such as trails and sidewalks) and then those could be held up as examples of revenue sharing investments.

Ms. McKeel said it is difficult to look at the hypotheticals of revenues and expenses had the revenue sharing agreement not happened.

Mr. Gallaway said he does not want to tell the City how to invest the money, but he wants a detailed report of how the funds are invested that he can share with his constituents.

Ms. Mallek said she is more interested in the capital funding projects.

Mr. Signer says there are numerous capital investments that are utilized by County residents, such as the Downtown Mall's renovations, that if the City went through the exercise of breaking out would far exceed the annual revenue sharing funds.

Ms. Hill asked for discussion of ideas for future projects. She mentions Old Lynchburg Road area sidewalks, trails, and affordable housing.

Ms. Mallek mentions the future Biscuit Run Park.

Ms. Walker asks about priority areas for joint investments, like the Regional Transit Partnership, and mentions there still needs to be an agreement on what percentage each locality will invest in general, outside of revenue sharing.

Mr. Dill said what we really need is a public relations campaign that emphasizes our joint goals, investments, and explains the reality of this legal agreement.

Ms. Walker said these discussions should focus on priorities for the year ahead as opposed to an accounting of the past.

Mr. Richardson said that at the staff level we never have enough money to reach as far down our priority list as we would like to go. Discussions about timing and priorities could lead us to have staff-level discussions about how we can shift projects.

Mr. Signer said this would be a natural path coming out of the Memorandums of Understanding.

Mr. Murphy said we should not lose sight of the level of city-county collaboration that already includes budget priorities, capital projects, agency funding, and emergency operations. He said the City wants to provide the best annual report it can and he believes this report demonstrates there is a lot of value. He said he wants to increase the collaboration and partnership and that more frequent meetings may be helpful.

Mr. Gallaway said his district has a significant border with the city and he is asked frequently about increasing collaboration with the City. He said he is not asked a lot about revenue sharing. He said that when he refers to an itemization of revenue sharing funds he just wants to be able to show the community a breakout of where the City says the funds were spent.

Ms. McKeel asked if there was agreement to hold another meeting?

Ms. Galvin said she would like an identification of specific parameters for that meeting.

Ms. McKeel suggested the County Executive, City Manager and economic development teams take the lead on structuring the next meeting.

Mr. Signer said conversations about revenue sharing should be incorporated more into the budget discussions.

Mr. Murphy said the end of January or early February would be a good time to help inform the budget process.

Ms. McKeel said a future Memorandum of Understanding might be focused on the topic of how we utilize revenue sharing.

Ms. Mallek said January would be preferable for the next joint meeting.

The Council and Board recessed at 11:49 a.m.

The meeting was reconvened at 12:18 p.m.

### **Memorandums of Understanding**

Mr. Murphy opened the discussion and asked for any questions related to Memorandums of Understanding related to transportation, education, and environment before starting the discussion on affordable housing. An update on all the Memorandums of Understanding was shared in advance.

### **Overview of City's Affordable Housing Work**

Mr. Murphy described the City's affordable housing initiatives. He said approximately 4,000 more affordable units will be needed between now and 2040. The City will contribute about \$4 million in each of next five years towards affordable housing goals. He said additional investments would be required to address the community's identified needs.

Mr. Murphy said nonprofit organizations like Albemarle Housing Improvement Program (AHIP) and Habitat for Humanity play an important role. On the policy side, Mr. Murphy said the City was advancing its comprehensive plan, updating zoning code, and planning the strategic investment area in downtown. Other tools such as Form Based Code and a land bank have also been examined.

Mr. Murphy said the two largest residential opportunities are Friendship Court and the Charlottesville Redevelopment and Housing Authority's (CRHA) property and that both are talking about major redevelopment projects. Friendship Court looking to grow from 150 to 450 units with an early childhood center and the addition of some commercial/retail space. The Piedmont Housing Alliance is seeking \$6-7 million from the City for Friendship Court's redevelopment.

Mr. Murphy said CRHA operates the City's housing voucher program and manages 376 units of public housing. CRHA has been through an RFP process to identify a redevelopment partner. CRHA has 40 acres of land assets and priority areas for use in redevelopment include the Levy Street site.

Mr. Murphy has said groups in the community have advocated for an investment of up to \$50 million and the City is already evaluating investments in these projects. He said it is not only “sticks and bricks,” but also programming like human services, workforce initiatives, social workers, and nurses that support residents.

Mr. Murphy said affordable housing is one of the biggest priorities in the City’s FY 2020 budget.

### **Overview of County’s Affordable Housing Work**

Mr. Ron White, Albemarle County’s Chief of Housing, provided an overview of the County’s affordable housing initiatives.

Mr. White said the County has long had a goal of 15 percent affordable housing for new developments. Change in proffer laws have limited the County’s ability to get commitments to build affordable units.

Mr. White said the median sales price of homes in Albemarle in 4Q 2017 was \$410,000. The cost of housing creates challenges.

Mr. White said the issues in Albemarle are much different because 95 percent of the County is rural. Different approaches are taken in the growth or urban areas versus the rural areas.

Mr. White described the use of density bonuses and an initiative with the Albemarle Economic Development Authority to provide tax incentives for the development of a 96-unit low-income housing tax credit project for residents at 60 percent AMI over a 30 year period.

Ms. Walker asked about past partnerships from the planning stage to development stage between the City and County? Mr. White said The Crossings is one example and that project focused on the use of vouchers.

Ms. Walker asked if there was interest in a partnership that would be at every stage of the planning and development of new housing?

Mr. Randolph said that was an important point, neither locality can do this alone. It is a complex problem involving transportation, schools, and economic development.

Dr. Palmer said nothing should be taken off the table. Ms. McKeel said progress on this issue would require both communities to do things differently.

Ms. Hill asked about the level of funding dedicated by Albemarle to affordable housing?

Mr. White said last year’s County budget included some one-time funding.

Mr. Randolph said other investments come from other funds such as the Albemarle Economic Development Authority.

Ms. Galvin said the regional housing assessment that's being done does not currently include the City.

Mr. Gallaway said he had just been appointed to work on that initiative on behalf of the Board.

Mr. Chip Boyles, Executive Director of the Thomas Jefferson Planning District Commission, spoke about the regional housing partnership, which includes local governments and a number of nonprofit partners. The first meeting is expected to be scheduled soon.

Mr. Boyles said the partnership will help direct the housing study. The partnership will be a permanent body and the City will be invited to appoint a representative.

Mr. Boyles said one example of a good partnership is the Hydraulic Small Area Plan. He said 100 of the 600 acres there have been designated by the City and County for affordable housing, and these homes would be near jobs and transit.

Mr. Signer said one way to take a regional approach in achieving our goal is to bring specific affordable housing projects to the joint boards.

Ms. McKeel said that, like the City, there are limitations on the land available in the County's designated growth area, County-owned land in particular.

Mr. Murphy said the University of Virginia is another partner that could be engaged in the affordable housing discussion.

Ms. Walker adjourned the Council meeting at 1:21 p.m.

Ms. Mallek Adjourned the Albemarle Board of Supervisors.