

**CHARLOTTESVILLE CITY COUNCIL
WORK SESSION
MINUTES - July 27, 2021
Virtual/electronic meeting via Zoom**

3:00 PM WORK SESSION

Pursuant to Virginia Code Section 2.2-3712, the Charlottesville City Council met in work session on Tuesday, July 27 2021. The meeting was held electronically pursuant to local ordinances to ensure the continuity of government and prevent the spread of disease during the coronavirus State of Emergency. The purpose of the work session was to vote on the appropriation of funds for a funding transfer for the Charlottesville Affordable Housing Fund (CAHF) Program and to hear reports on the FY23 Budget Process and the Strategic Plan.

CALL TO ORDER

Mayor Walker called the meeting to order at 3:00 p.m. with the following members present: Mayor Walker, Vice Mayor Sena Magill, and Councilors Heather Hill, Michael Payne, and Lloyd Snook.

ACTION ITEMS

1. RESOLUTION: Appropriating funds for funding transfer for Charlottesville Affordable Housing Fund (CAHF) Program Review/Redesign and Inclusionary Zoning Program Design - \$165,000 (2nd reading)

Councilor Snook began the discussion with concerns about the analyses that the consultants had performed to date. He asked that City staff and the consultants discuss a clear list of deliverables for the design of the Public Housing Incentive Program.

The Deputy City Manager of Operations, Sam Sanders, summarized the two-part scope of the consultant's contract. The first part being an inventory of the Charlottesville Affordable Housing Fund (CAHF) for the past ten years. This will include a full review of the project from allocation of funds to the deliverables from funding recipients; as well as recommendations for improvements and a scoring model. The consultants will also design an Inclusionary Zoning Program (IZP) to inform the process for staff and council to develop an IZP that is specific to the City of Charlottesville. Mr. Sanders and Mr. Alex Ikefuna, Director of Neighborhood Development, confirmed that the review will include an analysis of affordable housing as the result of Special Use Permits (SUP) for developers.

On motion by Councilor Hill, seconded by Council Payne, Council by the following vote APPROVED the resolution: 5-0 (Ayes: Hill, Magill, Payne, Snook, Walker; Noes: none).

**RESOLUTION APPROPRIATING FUNDS FOR
Funding Transfer for Charlottesville Affordable Housing Fund (CAHF) Program
Review/Redesign and Inclusionary Zoning Program Design - \$165,000**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlottesville, Virginia that the sum of \$75,000 from previously appropriated 2022 CIP CAHF fund be allocated, for the completion of the Charlottesville Affordable Housing Fund (CAHF) Program Review/Redesign and Inclusionary Zoning Program Design and is hereby transferred in the following manner:

Transfer From:

\$75,000 Fund: 426 WBS: CP-084 G/L: 599999

Transfer To

\$75,000 Fund: 426 WBS: P-00935 G/L Account: 599999

BE IT FURTHER RESOLVED by the City Council of the City of Charlottesville, Virginia that the sum of \$90,000 from previously appropriated CDBG Administrative funds be approved for the purpose of the completion of the Charlottesville Affordable Housing Fund (CAHF) Program Review/Redesign and Inclusionary Zoning Program Design.

REPORTS

2. FY 2023 Budget Process Updates

Krisy Hammill, Budget Analyst, provided an overview of the budget cycle as well as the current list of major budgetary items to be considered for FY23.

Budgetary items for the General Fund:

- Commitment to Tax Rate Increase – School Reconfiguration
- School Operational Funding Recalibration (40% Formula)
- Council Strategic Plan Budget Priorities for FY 2023

Budgetary items for the Capital Improvement Project Fund:

- No New Projects Being Requested
- School Reconfiguration
- West Main Street

Councilor Hill advised Council that Buford School was determined to be the priority for the school reconfiguration project and that the reconfiguration of Walker School will require outside

funding before the city is due to consider allocating funds for that project. There are plans to pursue an opportunity for state funding for the reconfiguration of Walker.

Mayor Walker expressed support of splitting up the reconfiguration projects. She also requested a deadline for Council to provide input on the FY23 budget.

Councilor Payne provided his concerns about the affordability of the current budget items and his thoughts against freezing the CIP budget. Mr. Payne requested for staff to consider the budgetary resources that will be necessary in supporting council initiatives in the budget process.

Vice Mayor Magill voiced her concerns with the affordability and impact of the school reconfiguration project.

Ms. Hammill explained that \$0.04 of the planned \$0.10 tax rate increase will be devoted to the school reconfiguration project and that if the timeline for the school project is moved up then the tax increase must be implemented all at once instead of being phased in as originally discussed. She added that the CIP budget is at full capacity with the current list of projects and that the addition of any new projects will most likely require a trade-off of projects.

Councilor Snook gave his approval of the current list of budget projects and the tax rate increase.

City Manager Boyles described the inflationary benefit to moving the school project up and announced that staff has scheduled a meeting with the Virginia Department of Transportation to discuss a timeline for moving forward on the West Main Street project. He added that staff and the school reconfiguration work group will soon begin to discuss options for funding the debt service on the school project.

3. Strategic Planning Update

City Manager Boyles presented a timeline and process for Council to develop the FY23 Strategic Plan. Mr. Boyles recommended that the current Strategic Plan be extended with any updates to the Plan being limited to Council's priorities for strategic initiatives. The City Manager cited time constraints as the basis for his recommendation and explained the intent to receive input from Council, departments, and members of the public prior to the department's budget due date of November 1, 2021 to the City Manager's office. Mr. Boyles proposed a Strategic Planning Workshop for early September. A draft Plan will be submitted for Council's review on September 20 and a final version will be presented for Council's approval on October 4.

Development of the FY24-26 Strategic Plan will occur between May and August of 2022. This will involve a complete review and will again incorporate input from Council, staff, and members of the public; along with the support of a hired facilitator. This 3-year plan will then be updated annually with only minor changes. City Manager Boyles explained that the timeline to

develop the FY24-26 Strategic Plan will allow for Council to adopt the Strategic Plan before the budget is adopted for the following year.

Mr. Boyles highlighted the following goals in the development of the Strategic Plan:

- Timely direction to departments for strategic budget preparation
- More and meaningful conversations about the Strategic Plan and department performance
- Conversations about how things get done
- Community and residents/City Council engagement and not only during the budget process
- Better execution of a creative plan-and the accountability that goes along with that

Mayor Walker asked that lead team members maintain an ongoing list of budget requests that is organized in order of priority and includes an explanation of ranking that Council may reference at each budget cycle.

PUBLIC COMMENT

Mayor Walker opened the floor for comments by the public. There were no speakers.

Mayor Walker adjourned the meeting at 5:00 p.m.

BY Order of City Council BY Maxicelia Robinson, Deputy Clerk of Council