

RAPPAHANNOCK-RAPIDAN WORKFORCE AFFORDABLE HOUSING COMMITTEE

Meeting Notes
March 16, 2007

In attendance: Sam Aitken (CCDC), Bill Barr (Fauquier Housing), Chris Conti (RRRC), Norma Dunwody (Culpeper Chamber of Commerce), Tony Hooper (Fauquier County), Alan Knewstep (Rural Development), Mickey Rhoades (Town of Warrenton), Michael Scheurer (VHDA), Jeffrey Walker (RRRC), Cathy Zielinski (RRRC)

Introductions

Mr. Hooper called the meeting to order at 2:00 pm. He introduced himself as the new Chair of the Committee, appointed to the position by the R-R Regional Commission at its February meeting. Other members of the Committee and RRRC staff introduced themselves.

Committee Charter

Mr. Hooper explained that the Regional Commission approved the WAH Committee draft Statement of Purpose as the charter for the Committee (See Attachment 1.) He asked if there were any questions regarding this. Ms. Dunwody pointed out that Chambers of Commerce are not identified specifically under "Membership". Mr. Hooper confirmed that Chamber and business participation are important to the effectiveness of the Committee.

Update on 2007 Virginia General Assembly Session

Ms. Zielinski distributed a written report of key affordable housing legislation introduced during the 2007 General Assembly Session (Attachment 2.) The single priority of the Virginia Housing Commission – to reconstitute the State Housing Trust Fund and designate a dedicated funding source – failed in both its House and Senate versions. There is some optimism for next year, since that will be a budget year.

Update on Toolkit Development

The first three topics for the Toolkit, which were identified by the Committee at the end of last year, are Accessory Dwelling Units, Model Comprehensive Plan Language, and Donation of County/Town-owned Land. Staff will continue with research and drafting of these topics and will distribute for review at future meetings.

Housing Price Trend Data for 2006

Ms. Zielinski gave a PowerPoint presentation showing housing prices and median income trend data from 2000 through 2006 for the region and each county. The presentation also included housing sales data from January 2005 through February 2007, which illustrates the slowdown in the local home sales market, but shows current median home prices still, in general, higher than in the first half of 2005.

Mr. Walker said the PowerPoint will be posted on the RRRC Housing webpage.

VHDA's SPARC Program

VHDA has announced a new round of funding for its Sponsoring Partnerships and Revitalizing Communities (SPARC) program, which provides below-market-rate mortgages to moderate and low-income home buyers. Mr. Hooper reported that Fauquier County is hoping to apply for funds for county residents who are new home buyers. He said VHDA will consider a regional project and asked if there is a reason to consider a regional application. Mr. Aitken said he plans to apply for SPARC funds, also. He is using SPARC funds for the new CCDC shelter in Culpeper. In the past, he has served all five counties in PD9.

There was a discussion about the benefits and limitations of this type of funding. Mr. Aitken said he believed Piedmont Housing Alliance in Charlottesville has covered Culpeper residents with assistance from SPARC/VHDA. USDA's Rural Development has a program at 1% interest for low-income purchasers who qualify. A difficulty with all of these programs is that the purchasers must be able to find a housing unit with a price within the qualification guidelines. In Fauquier County, condominiums are generally the only property within this price range. The Federal Home Loan Bank – Atlanta has a program of forgivable loans of \$5,000 - \$10,000 for low-income homeowners to assist with down payments and closing costs.

VHDA is offering training on March 29 on Applying for SPARC. This should offer additional perspective on regional opportunities.

Local and Member Updates

Mr. Knewstep reported that as of March 1, loan approval authority for all counties, except Culpeper went up. Home price limits are now \$280,000 for Culpeper, \$360,000 for Fauquier, and \$200,100 for Madison, Orange and Rappahannock. New median income limits should be announced within the next 30 days. He explained two different loan program – the direct program which can offer 1% loans to low-income (50% - 80% AMI) purchasers, and a guarantee program for purchasers up to 115% of area median income, which works with approved lenders. The current rate for this program is 5 7/8 percent.

Mr. Walker said the RRRC website's Housing page will be used to post Committee minutes, PowerPoint presentations, and links to members and resources, such as Rural Development.

Ms. Zielinski reported that she attended the meeting of the new Rappahannock Housing Partnership on March 14. Fauquier Housing is working with local residents to conduct a needs assessment as a first step in developing an affordable housing plan for Rappahannock County.

Mr. Walker reported that the next Living Towns event will be hosted by Sperryville on May 31.

Ms. Zielinski will be attending the American Planning Association (APA) National Conference in Philadelphia on April 15 as a panelist with other DC-region representatives for a presentation

entitled “Perspectives on Workforce Housing”. The session will be facilitated by Lisa Fowler from George Mason University. The Rappahannock-Rapidan region will offer the exurban/rural perspective on workforce housing issues.

Next Meeting

Suggested topics for future agendas: Invite developers to attend to present their perspective. Put together a ‘focus group’ or panel to discuss possibilities and obstacles for development of land around Culpeper airpark, or other location, as affordable community. Invite planning directors from counties and towns to discuss opportunities and barriers for affordable housing associated with zoning and building regulations.

The next WAH Committee meeting will be Friday, April 20th at 2:00 pm.

[Meeting notes prepared by C. Zielinski]

ATTACHMENT 1

REGIONAL WORKFORCE AFFORDABLE HOUSING COMMITTEE

CHARTER

(Approved by the Rappahannock-Rapidan Regional Commission Feb. 28, 2007)

Committee purposes – The Regional Workforce Affordable Housing Committee is established by the Rappahannock Rapidan Regional Commission (RRRC) for the following purposes:

- 1) Advise RRRC on the subject of workforce affordable housing
- 2) Compile relevant data and reports to support local and regional efforts to expand and retain workforce affordable housing
- 3) Facilitate regional information exchange on the subject of workforce affordable housing

Definition of Workforce Housing – Workforce affordable housing is suitable housing for households with at least one full-time worker, whose members earn incomes that are too low for them to afford to pay market sales prices or rents for homes or apartments in the communities where they work, but, by most definitions, too high to enable them to qualify for significant federal housing subsidies.

The Committee will focus on homes and rents affordable to households earning between 50 percent and 80 percent of Area Median Income (AMI), as defined by the U.S. Department of Housing and Urban Development (HUD).

Chair – RRRC will appoint the Committee Chair. The Chair will facilitate Committee meetings and work with staff to establish agendas, meeting schedules and reports to RRRC.

Membership - The membership of the committee will include representation from each PD9 local government and other stakeholder groups including, but not limited to, real estate industry, housing developers, not-for-profit housing and community development organizations and banking/financial services industry. The Committee may identify and invite participation of additional members.

Other - The Committee will report to RRRC on a quarterly basis and will submit all reports and materials for review before they are distributed to the public. RRRC will provide staff time to direct and support the work of the Committee.

ATTACHMENT 2

Rappahannock Rapidan Workforce Affordable Housing Committee

2007 Virginia General Assembly Session Affordable Housing Issues

PASSED LEGISLATION

HB2834 – Grants to Certain Local Government Employees for Home Ownership

Raises from \$5,000 to \$25,000 the amount that localities may provide for home ownership grants to employees of the locality, school board, and constitutional officers, to purchase their primary place of residence. Grants are subject to VHDA regional sales price and household income limitation.

HB2010 – Makes changes to the Affordable Dwelling Unit Ordinance Law (Sec.15.2-2305)

Changes scope of ordinance to housing affordable to low and moderate income citizens, as defined by the locality (previously “moderately price housing”).

Increases the size of allowable density bonuses that may be granted in exchange for affordable units.

Authorizes establishment of a local housing fund, to help achieve the locality’s affordable housing goals.

HB2727 – SB 968 – Rights of elderly and disabled in case of condominium conversion

In certain circumstances, in the case of condominium conversion, a elderly or disabled tenant may assign the exclusive right to purchase his unit to a government agency , housing authority, or certified nonprofit housing corporation, which shall then lease the unit to the tenant at an affordable rent.

HB 3002 – Investment of funds

Allows localities to consider the investment activities of qualifying institutions that enhance the accessibility of affordable housing to local employees in determining the award of any contract for time deposits or investment of their funds.

FAILED LEGISLATION

HB 1745 – Residential Development Impact Fee Assessments

HB 1825 and SB 966 – Housing Trust Fund