

RICHMOND REGIONAL PLANNING DISTRICT COMMISSION
Minutes of Meeting
May 14, 2009

Members/Alternates Present

Willie L. Bennett (M) County of Henrico
Malvern R. “Rudy” Butler (M).....County of Goochland
Karin Carmack (M).....County of Powhatan
Deborah B. Coates (A).....County of Hanover
Douglas G. Conner (M)City of Richmond
Robert R. Cosby (M).....County of Powhatan
Timothy W. Cotman, Sr., Chairman (M)..... County of Charles City
Marleen K. Durfee (M).....County of Chesterfield
Evan Fabricant (M).....County of Hanover
Daniel A. Gecker (M).....County of Chesterfield
Richard W. Glover (M)..... County of Henrico
John E. Gordon, Jr. (M)County of Hanover
Kathy C. Graziano (M), Vice Chairman.....City of Richmond
John C. Grier (M).....City of Richmond
Russell J. Gulley (M)County of Chesterfield
James M. Holland (M)County of Chesterfield
Dorothy Jaeckle (M)County of Chesterfield
Bonnie-Leigh Jones (M) County of Henrico
David A. Kaechele (M)..... County of Henrico
Beverley C. Lacy (M)City of Richmond
Patricia S. O’Bannon (M) County of Henrico
C. Harold Padgett (M).....County of Hanover
Faye O. Prichard (M)Town of Ashland
Charles R. Samuels (M).....City of Richmond
Randall R. Silber (A) County of Henrico
Millard D. Stith (A).....County of Chesterfield
Stran L. Trout (M), Secretary County of New Kent
Joseph B. Walton (M)County of Powhatan
Arthur S. Warren (M)County of Chesterfield

Members Absent

James B. Donati (M), Treasurer..... County of Henrico
Courtney G. Hyers (M).....County of Goochland
E. Martin Jewell (M).....City of Richmond
George K. Roarty (M).....County of Chesterfield
Robert R. Setliff (M).....County of Hanover
Frank J. Thornton (M)..... County of Henrico

Others Present

John R. Amos..... RRPDC Legal Counsel
Nora AmosTown of Ashland
Suzette Denslow.....City of Richmond
Elizabeth Greenfield Richmond Association of Realtors
Parker Mills..... Branscome, Inc.
Pat WellsTransworld Systems, Inc.

Staff Present

Robert A. Crum, Jr..... Executive Director
Jo A. Evans Assistant Executive Director
Julie H. Fry..... Executive Secretary
Quillia Brooks..... Administrative Secretary
Anne DarbyAssociate Planner
Jacob Epstein Intern
Allyson Finchum.....Principal Planner
Jin Lee.....Senior Planner
Daniel N. LysyDirector, Transportation
Sarah Smith.....Senior Planner
Jackie S. Stewart Director, Planning/IS
Peter M. Sweetland Finance and Contracts Administrator
Kathy Wright Intern

Call to Order

Chairman Cotman called the regularly scheduled May 14, 2009 RRPDC meeting to order at approximately 1:10 p.m. in the RRPDC board room. He then led the Commission members in the pledge of allegiance to the flag.

I. ADMINISTRATION

A. Certification by Commission Executive Director of Meeting Quorum

Mr. Crum certified that a quorum of members was present.

B. Requests for Additions or Changes in Order of Business

Chairman Cotman asked if there were any additions or changes to be made to the agenda. There being no changes to make to the agenda, the agenda was accepted as printed.

C. Open Public Comment Period

Chairman Cotman asked if there was anyone from the public in attendance who wished to make a comment. He reminded speakers that their time is limited to three minutes. As there were no requests from the public to address the Commission, the Chairman closed the public comment period.

E. Approval of Minutes – April 9, 2009 Meeting

Chairman Cotman asked Mr. Trout to present this item.

Mr. Trout said the minutes from the April 9, 2009 meeting were included in the agenda book. Mr. Trout made a motion that the minutes be approved as presented. The motion was seconded by Mr. Bennett. There being no further discussion, the motion carried.

D. Chairman's Report

Chairman Cotman noted that many of the members were aware that former Commission member Kelly Miller had passed away last week. Mr. Miller was also a former member of the Chesterfield County Board of Supervisors and served in that capacity as a member of the Commission for seven years, from 2000 – 2007. Chairman Cotman led members of the Commission in a moment of silence in honor of Mr. Miller.

F. Approval of March 2009 Financial Reports

Chairman Cotman asked Mr. Crum to present this item on behalf of Mr. Donati, who could not attend today's meeting.

Mr. Crum stated the financial report is included in the agenda book under Tab 2. He noted that with 75% of the fiscal year completed, expenses are tracking at 70%. There being no discussion, on motion made by Ms. Graziano and seconded by Ms. Prichard, the March 2009 financial reports were accepted for audit as presented.

G. Executive Director's Report

Mr. Crum brought the members' attention to the monthly staff activity report which is included in the agenda book under Tab 3.

At this time, Mr. Crum introduced Quillia Brooks, who has been hired to fill the Administrative Secretary position in the Planning and Information Services Division.

During the past month, staff held orientation sessions for the five new RRPDC Board members. Mr. Crum thanked each member for coming in to meet with staff to learn more about RRPDC.

Mr. Crum said two RRPDC Board members had the opportunity over the past month to attend professional development events. He asked Mr. Butler if he had anything to report from the American Planning Association (APA) meeting, which was held this year in Minneapolis. Mr. Butler said he found the city to be very clean, including the warehouse districts. He toured the site of a new ballpark which will be constructed in the downtown area. Mr. Butler said he was also impressed with parking availability and the covered skywalks. He said the city has expanded its light rail service to include a route from the airport into the downtown area. He said the airport rail service was placed on an existing four-lane highway that leads from the airport into the city, leaving two lanes for vehicle traffic. Mr. Butler said there are revitalization projects of areas that are not being used.

Mr. Butler said there were several green infrastructure seminars offered during this year's APA meeting. There was also a session for planners who are losing jobs due to slowdowns in development because of the current economic situation. Mr. Butler asked Ms. Stewart if she had anything to add from staff's perspective. Ms. Stewart said she was impressed with the regional cooperation she saw and how the communities worked together on projects to share resources. Mr. Butler said he enjoyed the trip and brought back a lot of useful information.

Ms. Graziano reported that she attended the InterCity visit to Miami. She said Richmond has more in common with Miami than she thought. She said there were two programs that impressed her. The city doesn't have an income tax so new taxes are always being added. The new taxes are for specific purposes and always have an expiration date. One of these taxes was a transit tax to build more light rail and to improve bus service. These projects are not done and as a result, a referendum will be held to remove the tax prior to its five-year limit. She said she felt this approach made city government more responsible for the taxes they levy.

The other program is a Children's Trust Fund. This fund addresses the needs of children in the area. She said another program she found interesting was one called Access Miami, which offers workforce assistance that identifies all programs for which the individual qualifies and eliminates the need for the person to contact several different agencies. Ms. O'Bannon noted the workforce center in Henrico County provides this type of service. Ms. Graziano said she also made note of the ongoing commercial development in Miami. She said city officials are continuing development to be poised to take advantage of the economy when it begins to rebound.

Mr. Crum added that the Children's Trust Fund is in the form of an annual tax of \$54 per household. This money is used to assist with early childhood education and health care among other services.

II. OLD BUSINESS

A. Jurisdictional Committees Reports

Chairman Cotman asked Ms. Prichard and Mr. Gordon to give reports on recent meetings of the jurisdictional committees.

Ms. Prichard said the Small Jurisdictions Committee met on May 12, and heard a presentation from the USDA on the types of funding programs they offer to rural communities. There are no grant monies, but the loans are made at low interest rates. Another presentation was given on the Urban Securities Initiative (UASI) Grant Program and the group's proposal for RRPDC to partner with them to place emergency management planners on RRPDC staff. The general feeling of committee members on this proposal is that it could be supported as long as there is a contractual agreement noting that if funding ceases, the positions would be discontinued. There was also discussion on the need of RRPDC staff to collect socioeconomic data from the jurisdictions. This effort is being undertaken by RRPDC staff because Census data will not be available prior to the deadline set by VDOT. Staffs in the small jurisdictions were asked to work with RRPDC staff to facilitate the collection of information needed.

Ms. Prichard said the concern raised by Mr. Butler that VDOT is no longer going to fund travel demand modeling was also discussed. It was suggested by the committee that this issue be taken up by the Transportation Funding Strategies Work Group and that this be added to the legislative agenda for the next General Assembly session.

Ms. Prichard asked Mr. Crum to report on the Grants Warehouse update as she was required to leave the meeting prior to this discussion. Mr. Crum said that Ms. Evans gave an update on the status of this initiative to both jurisdictional committees. Staff is setting up a process to work with local staffs to identify grants and other forms of funding that could be packaged together for use by the localities. At this time, staff has requested that each jurisdiction appoint a person to serve on a users group that will work together to identify funding opportunities and to take this information back to the localities. The group will meet on a regular (monthly) basis.

The next meeting of the Small Jurisdictions Committee will be on June 16, at 12:00 noon.

Mr. Gordon reported that the Large Jurisdictions Committee met on May 7 and heard the same presentations as the Small Jurisdictions Committee. There

continues to be good attendance and participation. Topics continue to be interesting. There will be a joint meeting of the committees in July.

Ms. O'Bannon asked about the status of the Memorandums of Understanding (MOU) between the localities and the local public radio station for "after the storm" public announcements. Mr. Crum said staff is contacting each locality to have these MOUs updated. Mr. Crum thanked Ms. O'Bannon for following up on this important issue.

B. James River Interpretive Guide

Mr. Crum said during last month's meeting Allyson Finchum, RRPDC Principal Planner, gave a presentation on the James River Interpretive Guides prepared by the RRPDC. Commission members asked staff to determine the costs associated with reprinting the guides and to develop a list of locations to place the guides for public use.

Mr. Crum reported printing costs had declined and would be just over \$2,900.00 to print 5,000 sets. The breakdown is included under Tab 4 in the agenda book. Staff recommends that this be done with money available in the current budget. By using agency funds, there will be greater flexibility in where the maps can be placed than if federal grant money is used.

Mr. Bennett moved that the recommendation made by staff be accepted. The motion was seconded by Ms. Graziano.

Mr. Fabricant asked if it would be beneficial to spend an additional \$1,000.00 to double the amount printed. Mr. Crum said staff's recommendation to print 5,000 sets would allow each jurisdiction to receive 300 sets of the maps with the balance being distributed to such organizations as listed in the report. Mr. Fabricant asked if the organizations had been contacted to gauge their interest in receiving the maps. Mr. Crum said some but not all of the organizations listed had been contacted and based on those contacts, staff determined 5,000 sets would be adequate.

There was no additional discussion on the motion and it was carried.

III. NEW BUSINESS

A. Regional Housing Trends Presentation

Chairman Cotman asked Mr. Crum to introduce the guest speaker for this item.

Mr. Crum introduced Barry Merchant, Senior Policy Analyst with the Virginia Housing and Development Authority, and indicated Mr. Merchant would present information that would follow up on information received previously on the Age

Wave movement. Today's presentation will center on Generation Y and its anticipated impact on the housing development market.

Mr. Merchant thanked members of the Commission for the opportunity to speak with them. During his presentation, he noted the following key points:

- Demographic change shapes housing demand
- Housing needs change with age
- There are four broad stages of life that drive changes in housing choices: (1) young households; (2) middle-age households; (3) empty-nesters; and (4) older seniors
- The coming housing cycle will look different than the one now ending
- The "trade-up" era is over
- Generation Y will be a resurgence in young households
- Empty nesters and early retirees will have less impact on demand
- Until the downturn, baby boomers were seen as ongoing market drivers
- Current economic conditions may reshape baby boomer choices
- Today's housing stock is not adequate to meet the emerging needs
- Quality, affordable rental housing will be needed especially
- Generation Y may have more difficulty achieving home ownership
- Housing affordability will be a growing issue in the next cycle
- Housing affordability for young workers will challenge localities
- New local strategies are needed to meet the needs of Generation Y
- There are positive signs of changing attitudes and practices

Mr. Walton asked about the differences in the trends in northern Virginia, Hampton Roads, and central Virginia, and whether there were any common trends. Mr. Merchant said the same trends are happening across the state. The demographic trends also show up across the entire country. He said northern Virginia will see an increase in younger households, especially in the demand for affordable housing. Richmond has a larger stock of starter homes. The homes that are not moving are the larger, trade-up homes. There will need to be new construction of some form that can be affordably priced to accommodate the demands.

Mr. Gecker asked what price was now considered to be affordable. Mr. Merchant said affordable price is determined by age group and by median income. Generally this is around the low \$100,000 to about \$250,000 range for a starter home. Mr. Gecker said he felt construction inflation has out-paced wage inflation to the point that the industry cannot produce affordable products. Mr. Merchant said this is seen in higher density neighborhoods such as condominiums. The other opportunity is the development of mixed use corridors.

Mr. Gecker asked how to handle existing stock with regard to governmental policy to address the affordability issue. Mr. Merchant said existing stock will

need to meet the future demands. Mr. Gecker suggested that local governments may need to invest in existing infrastructure instead of new development. Mr. Merchant said he felt new home construction would decrease for the time being because of the current economic situation.

Mr. Fabricant said he would think the data that was presented today will need to be updated as it was gathered in 2008. He asked if the rate of foreclosures will impact home prices. Mr. Merchant noted prices in the Richmond region have already begun to decline and will continue to do so for the foreseeable future. Some stabilization in prices has been seen this spring in the northern Virginia area, which tends to trend about a year ahead of the other regions in the state. The share of foreclosed homes in other areas of the state stands at about 40%. Mr. Merchant said affordability has to do with more than just the interest rate on the loan; it has to do with the amount of the loan that can be made and credit issues that may need to be addressed. He said interest rates will need to rise to sustain the economy.

Ms. O'Bannon said she's noted those persons in her district who had planned to downsize their homes have not been able to do so because other family members have needed to move in with them. She said some of the Generation Y issue has been anticipated and some work has been done to help with home renovation ideas.

Mr. Glover asked if there would be any residential funding assistance set aside to help with these issues. He also asked how the HUD affordable housing formula works into what had just been presented. Mr. Merchant said the percentage of income needed for housing costs still stands at around 30%. He said housing was allowed to become more affordable in an artificial manner because of the special financing options that were made available to buy more than purchasers could afford. This is no longer a sustainable way to finance housing options.

Ms. Durfee asked what percentage of Generation Y can afford to purchase homes. Mr. Merchant said it is a very low percentage as these individuals are just now reaching an age where they can begin to consider making a home purchase. Ms. Durfee asked if Generation Y would buy new homes or if they would buy existing homes. She said she believes localities need to assess housing types available and not over-zone land use. Younger people will not return to a locality unless there are jobs available.

Mr. Merchant noted existing housing will need to be utilized as some of the newer homes won't be affordable to Generation Y. If existing housing is not used, younger individuals may continue to rent, which is the alternative.

Ms. Durfee asked how long it is anticipated Generation Y will stay as renters before being able to purchase a home. Mr. Merchant said the time is longer now due to income restrictions, delay of marriage, and lifestyle choices.

Mr. Glover asked about the source of special financing that Mr. Merchant had mentioned. Mr. Merchant said he was referring to sub-prime lending by the private mortgage industry.

Chairman Cotman noted that in the interest of time, he would need to end discussion on this topic in order to continue with the agenda. He thanked Mr. Merchant for his time and the information he had presented.

B. Review of Final FY 09 and Revised FY 10 Budgets and Work Programs

Chairman Cotman asked Mr. Crum to make this presentation.

Mr. Crum said action will be requested on this item. He reminded members of the Commission that the agency operates on a fiscal year basis, from July 1 through June 30 of each year.

For FY 09, the most significant impact on revenue flows has been the vacant positions that have not been filled for most of the fiscal year. Many of the positions and funding are contingent on grant programs. If there are no billable hours, no income is received. For each \$1.00 charged to a grant program, the agency receives an additional \$1.12 in indirect costs. Another impact has been the reduction in interest income and the vacant sub-lease space. Mr. Crum said there are two prospective renters who have looked at the space and he hopes to be able to report a lease agreement within the next few months.

To close out FY 09, it is anticipated that \$143,000.00 will be needed from the undesignated fund balance, which would leave \$540,000.00 in that fund balance. This amount is above the \$1 million threshold set by the board to cover financial obligations should the agency need to cease operations.

In December, a preliminary look at the FY 10 budget was given to members. There were some significant revisions made based on input from members during that meeting. For FY 10, the agency has made about \$124,000.00 in budget reductions. There will be no merit or cost of living increases for staff in accordance with what is taking place in each of the localities. Out of state travel has also been limited based on the same types of limitations in each of the localities. Mr. Crum said there are some positions on staff that are undervalued. He will proceed with a wage survey which was approved in the FY 09 budget. Results of this survey will be presented to the Executive Committee in November and to the full Commission in December during the mid-year budget review.

Mr. Crum said two positions have been eliminated – Computer Network Administrator and a Planning Technician. It was determined it is more cost efficient to outsource information technology services.

There is also a proposal in FY 10 to fill the Communications Coordinator position. Based on feedback from Board members, this position will be restructured to include more lobbying efforts during General Assembly sessions and community outreach in the form of public relations. A Principal Planner position will be created by redirecting funds from the two eliminated positions. This position is being requested in order to work on regional priorities (as determined by the Board) in the Planning and Information Services Division.

Mr. Crum said sub-lease revenue has been budgeted starting October 1, but he hopes to be able to rent the space prior to that date. The agency vehicle has been downsized to a more fuel efficient model.

Revenue funding streams for the FY 10 budget year will be as follows:

- 56% - FHWA/FTA Urban Transportation grants and allocations
- 24% - local dues
- 6% - State appropriations
- 6% - undesignated fund balance
- 4% - Virginia Department of Environmental Quality
- 2% - VDOT Rural Transportation
- 2% - Other

Work Program tasks will be based on the Regional Priorities as set by the Board – Capital Region Collaborative, Public Relations Strategy, Regional Infrastructure Initiative, Proactive Legislative Agenda, Regional Grants Warehouse, Jurisdictional Committees. In addition, work will be done on the Green Infrastructure Project, the Rural Transportation Long Range Plan, and coordination the socioeconomic forecast; also intermodal planning, Transportation Improvement Program, MPO committees support, etc.

In FY 10, it is anticipated \$139,000.00 from the undesignated fund balance will be needed, leaving over \$410,000 on June 30, 2010, in addition to the \$1 million threshold amount.

Staff would ask that members of the Commission approve the FY 09 and FY 10 budgets as presented.

Mr. Kaechele asked how much of the undesignated fund balance was used in FY 09. Mr. Crum responded staff projects that approximately \$143,000.00 will be used. Mr. Kaechele said he notes the continued drawdown of this fund. Mr. Crum said if the budget is approved, staff will be hired as indicated which will help increase revenue through increased billable staff hours back to grant programs.

Mr. Kaechele asked if interest income was included in the proposed budget. Mr. Crum said an anticipated amount was accounted for in the budget.

Mr. Walton asked for clarification on the October 1 date for sub-lease income. Mr. Crum said it has been difficult to lease the space given the current market conditions. Staff has been in contact with the realtor on a regular basis. Recently two people have done multiple walk-throughs of the space. It is the hope of staff that the space can be leased prior to October 1. All offers are being considered. Should a prospective tenant be identified, this information would be brought to the Board for action prior to a lease being signed.

Mr. Padgett asked about the amount of square footage available and what amount is currently being used by staff. Ms. Evans said the sub-lease space is about 2,000 square feet and staff is currently using about 14,000 square feet. The rate being paid by the agency is \$17.50 per square foot.

Mr. Glover asked if the agency had thought about advertising the space availability without assistance from a realtor. Mr. Crum said this has been considered and can be done if the Board so desires.

Ms. Graziano moved that the final FY 09 and revised FY10 budgets and work programs be approved and adopted as presented. The motion was seconded by Ms. Prichard. There was no additional discussion and the motion carried.

IV. OTHER BUSINESS

A. Committee Reports

There were no other committee reports.

B. Announcements

There were no announcements.

C. For Your Information

There were no items included in this section.

V. ADJOURNMENT

There being no further business to come before the Commission, on motion duly made and seconded, Chairman Cotman adjourned the meeting at approximately 2:30 p.m.

Robert A. Crum, Jr.
Executive Director

Timothy W. Cotman, Sr.
Chairman