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Albemarle County Board of Supervisors Budget Work Session, Monday, April 7, 2025

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[00:00:00] I'm pleased to call to order this meeting at the Albemarle County Board of Supervisors on the 7th of April, 3 p.m. in room 241 of McTierre office building. Like the north table, we have Supervisor Mike Pruitt of the Scottsville District, Supervisor Bill of the Peace McCurtley of the Rivetta District, Supervisor Jonathan McKeel of the Jack Jewett District, Supervisor Ned Galloway of the Rio District, Supervisor Ann Malick of the Whitehall District, and myself, Jim Andrews, representing the Samuel Miller District.

[00:00:25] The forum is present. We're also joined, as always, by our County Executive, Mr. Jeff Richardson, and our county attorney, Mr. Andy Herrick. Our clerks, Ms. Claudette Orgerson, and senior deputy clerk, Travis Morris. Also, please let me welcome El Salvador County Police Officers present, Master Police Officer Paul Quillen, and Officer Brooke Chaco.

[00:00:43] Thank you for your service today, and every day on behalf of colleagues, and of course... Oh, Randy's in the back. ...in a lesson. I recognize that we have a lot of other people present as well.

[00:01:00] And let me also note at the table, We have our deputy county executives, Ann Wong, Trevor Henry, our chief financial officer, Jacob Sumner, and our assistant chief financial officer, Andy Bowman. We'll be joined eventually by our chief operating officer, Christy Shiblett, but for now, I'm going to turn things over to Mr. Bowman.

[00:01:19] Ah, after mentioning at least one supervisor is having a birthday today, because I'll never mention those. And also, as I was just reminded, the microphones are in the ceiling, so speak up. In both senses of the word. Where's my ball-wishing pain?

[00:01:39] Thank you, Mr. Ball. Please take it away. Good afternoon to the board, and thank you to the chair for the introduction. Today is work session number five with the fiscal year 26 proposed budget. We have a few topics, but we're going to spend most of our time talking about affordable housing and the CIP to continue the discussion or kind of an idea that began at the last budget work session or on March 19th.

[00:02:04] Just a few slides to recap. It's been a couple weeks since we've been together. We have completed all the activities in March through the work sessions in the town halls. After today's work session, there are two town halls later this week at Western Almaro High School and the North Fork Research Park, followed by the seventh and final town hall next week at Journey Middle School. This month will conclude with the public hearings on the tax rates and the budgets, and then the budget process will be wrapped up on May 7th.

[00:02:32] So this is the last work session that is scheduled at this time for today, though certainly not the last opportunity for the board to engage with the budget. There are three topics for today, the first of which is really spending some time with affordable housing and the CIP as this is the first time there is ongoing funding dedicated to affordable housing or into the affordable housing investment fund.

[00:02:56] This would be the board's desire to look at what if something were to be done different in terms of the CIP, what could that look like? Mr. Sumner is going to lead that part of the presentation after that I would I will come back and do a brief presentation To continue previous human services funding process discussion based on you know Comment from a board member to just bring that back in case the board would like to consider any adjustments And then finally, it's just a time for the board if there's anything else they would like to identify Knowing this is the last work session the board of course They amend the budget all the way up to April 7th and then beyond that during the year But this is just if staff helps the board get ready to finalize the tax rates and the budget on May 7th

[00:03:36] It's as many we can do for that that that would be part of that. I will share that all the Q&A is There's actually one final one for prior work sessions We have to send you all today all other questions have been responded or on the website But certainly we'll add to that should any follow-ups come from today's meeting So one slide before I turn it over this summer This is a slide more to see many times during the work sessions 4-cent real estate tax increase included in the proposed budget. We've talked at length before about the dedications to public safety schools and to affordable housing that affordable housing amount of

[00:04:13] 0.4 cents is 1.2 million dollars of ongoing funding and as I mentioned a minute ago is the first time that we had that ongoing funding into that fund so we're going to spend most of our time in the today's presentation focusing on that point for But, of course, the board has the flexibility to adjust anything in the budget among dedications, other changes in the budget, with the one exception that a tax rate cannot be adopted higher than what was advertised at \$0.89 for real estate and \$4.28 for personal property taxes.

[00:04:44] So with that, I'll hand the presentation off to our CFO, Jacob Sunder. Thank you, Mr. Bowman. Board, always a pleasure to be in front of you. And today we're going to talk a little bit more about the affordable housing investment that is in the proposed budget.

[00:05:00] So as Mr. Bowman mentioned, there is the 0.4 cent dedication for affordable housing in the budget. And I also recognize that there is an additional \$3 million of one-time investment that's been included in the proposed budget as well. But for today's purpose, I'm really going to focus on more of the dedicated revenue stream because that fits more closely with the conversation about how affordable housing could fit into the CIP or can be addressed in a way similar to how we fund the CIP.

[00:05:29] So not ignoring or dismissing the \$3 million one-time investment, but really focusing more on that recurring revenue or more on that dedicated revenue stream. So this is a slide that the board has seen before, and it may have been a little bit since we brought this back before you all.

[00:05:47] But I thought it would be good to start with some background and just reorient ourselves with the affordable housing and just reminding the board and the community that affordable housing and affordable housing needs is on a continuum. There's multiple needs at different levels on the affordability spectrum and so as we've talked before you know there's many tools that can be used to address affordable housing on these different levels within the affordable housing spectrum so not that we're going to address any singular or any individual opportunity today but just as a reminder that you know as we look to

[00:06:27] impacts affordable housing in our community that there are multiple tools we'll be looking at along the way and hopefully today we can talk about one that potentially we can add to the toolbox now from a historical perspective just a reminder of where we've been on the affordable housing investment fund we spent the funding sources for this fund in the past have really been one time transfers from the general fund there is you know transfers or sourcing from our affordable housing proffers although that's been much smaller in comparison to the one-time transfers that have come from the general fund as

[00:07:04] Mr. Berman mentioned on the 26 proposed budget there's the ongoing and again this is the change that's the ongoing component of the point four cents dedication of the real estate tax as it also as a reminder some of the past uses of the affordable housing investment fund has been our investment and with Virginia supportive housing premier circle our investment in the Southwood redevelopment phase one and phase two with Habitat and then also in the South redevelopment area the Hickory Hope Apartments with Piedmont Housing Alliance

[00:07:37] and a final just an example of past uses our commitment or our support of a hip not to be confused with a hip which is our investment fund but a hip which is as we used to support their rehabilitation and energy improvement program this slide the board has seen before in previous work sessions and this is just another point in time a slide about the number of affordable housing units that are currently in our community as well as another metric of

[00:08:15] affordable units that are in our pipeline so a lot of these slides I've just presented are laying in the background and kind of reorienting us where our affordable housing needs have been where we've been addressing them and kind of get us on the up to speed of before we dive into some scenarios and some different options that the board may want to consider so at the March 19th board meeting staff was asked to explore whether the county could borrow for affordable housing projects really within the context of the capital improvement program and so as we prep for the discussion that's going to come

[00:08:54] later in my portion of the presentation I wanted to start with just some some baseline some baseline considerations keep in mind before we dive into really more the details and trying to answer this question I mean this really focuses around borrowing you know or leveraging and really leveraging ongoing revenues to help support or fund projects whether that's capital projects or affordable housing

projects where we currently issue bonds for projects that we're trying to construct or in fact today that will then pay off that borrowing

[00:09:28] over time any borrowing any more capital projects whether it's for affordable housing or general CIP we always want to consider take consideration a few other aspects as well we want to make sure we consider our debt related financial management policies and the board has approved our financial management policies and there's some specific debt related ones that are in those and I want to talk about those in in the next slide but that is really one of the main considerations you want to take take keep in mind as well as our capacity

[00:10:04] within those financial policies and the flexibility that we have within that capacity our proposed FY 26 through 30 CIP totals you know 322.7 million dollars and so any addition to borrowings or in addition to projects would also want to be in context of what's already been proposed of the 322 million dollars and And any debt that is, or any borrowing, any bonds that would be issued to support that

[00:10:36] CIP, that addresses our, we need to address our capacity as well on top of those fundings. For housing projects in relation to CIP, we want to ask the same questions we ask any capital improvement project.

[00:10:52] You know, what are the other considerations? Are there any operating costs? post-implementation of a capital project is one of the questions we typically ask. What are those ongoing operating costs? And so we'd want to ask the same question in the context of affordable housing projects.

[00:11:08] You know, are there related operating costs that we'd want to, you know, consider or take into account? You know, whether it's be, you know, trying to have some monitoring of those projects, really looking at accountability, you know, are there any clawbacks that we would want to monitor and keep an eye on? We'd also want to take any affordable housing projects that may be included in the structure of the CIP regarding the timing.

[00:11:34] I'll talk about this a little bit later from a legal standpoint, from a bond issuance standpoint, but if we were to include projects for affordable housing within the CIP, the timing of issuing the funding for this project would need to match up and align with our funding for our capital projects.

[00:11:52] We wouldn't want to, we wouldn't recommend issuing bonds specifically affordable housing on a standalone basis. It would be coupled with the more larger general CIP borrowings that we do on a periodic basis. And the last consideration that I have on this slide for the board to consider is, you know, borrowing for affordable housing projects would be new for the county.

[00:12:15] It would also be new across the state for many localities, many counties in particular. Now, that's not saying that there aren't other localities that have issued bonds to help pay for affordable housing projects, but those are typically cities, and those typically have redevelopment housing authorities.

[00:12:32] And those give additional powers and different abilities that most counties by themselves do not have. And so while we're looking at other peer localities that may have issued bonds to help fund affordable housing, there's just not a lot out there that would be an apples-to-apples comparison for the county.

[00:12:50] So we just have to recognize that this would be new for us, but also new for other counties throughout the Commonwealth. So this is the financial management policies related to our debt ratio, as I

mentioned earlier. And this slide should look familiar.

[00:13:06] We talked about this back when we talked about the CIP and debt. And I think I believe our third budget work session. But the one I want to focus on is really that debt service to debt service as a percentage of general fund revenues. And not ignoring or giving much credence to the outstanding debt as a percentage of assessed value, those are both important, but what we talked previously about the headroom between our maximum threshold for these policies and where we anticipate our projections to be against these policies.

[00:13:41] we highlighted back at the you know third work session that our tightest headroom is in really FY29 as we built out that 322 million dollar proposed CIP this is where we would anticipate our ratio levels to be when we get to that point in our our analysis anything in addition as mentioned earlier above that proposed CIP would just add some more pressure and be layer on top of the ratios and scenarios that you see in front of you know in the past you know

[00:14:18] the board has expressed the desire to not push up to the maximum limit you know to allow some flexibility and some some headroom should we have some you know differing economic circumstances that would potentially you know lower that or bring that capacity number down so always have a little bit of headroom between where we anticipate to be and our policy maximum it is a good best practice to keep in mind. We also discussed back on the third work session about our bond ratings and the importance of our triple AAA rating.

[00:14:56] Attaining this rare achievement gives the county greater flexibility in both our operating and capital budgets by receiving the best possible interest rates when we go to issue bonds. That in turn gives us flexibility. Having lower borrowing costs, lower issuing costs, that gives us the to to respond and have flexibility in those those budgets it also gives us the ability I have this AAA rating the ability to access the market when we need back when we issued bonds in and I believe 2023 we had nine firms that bid

[00:15:32] on our bonds that shows that there was great demand for the bonds that we're issuing and so if we need to issue bonds the demand is there and so we have the ability to issue those as opposed to it may have a lower bond rating that may be more challenging to have that many folks bidding and competing for for those bonds and the importance of having this flexibility particularly as we you know look around at the at the news and the economy both in the national level and

[00:16:07] the local level having that that budgetary flexibility is really important as we as we look to you know whether some of the challenging headwinds that potentially could be out there we're watching you know the stock market on a regular basis returns on a regular basis the unemployment rate all the metrics that we use as part of our financial analysis and financial forecasting and and knowing that we have this triple-a rating the ability to adapt and be agile in our response is a pivotal tool in our financial resiliency for the county so this was a lot of background that I covered based on our

[00:16:46] financial policies a little history on our on the housing investment funds but I haven't really answered the question yet and that was intentional because before we go into the scenarios I wanted to set the groundwork is at the stage for where we are with our current proposed CIP the debt capacity that we have before we dive into the specifics and I want to preface in the next couple slides is I want to walk the board through some recommendations from bond council and what we can and what we cannot borrow for and I'll be going into some more scenarios specifically about the affordable housing investment fund

[00:17:22] related to the dedicated revenues so before I go into this detail I just want to take a moment as the chair and the board if there's any questions that I can address from the background material before we really dive into the details of the question that was asked. We'll go through our order.

[00:17:40] If there are any questions, Supervisor LaFista currently. Yes. On slide number 10, you mentioned the headroom. And I'm asking what percentage is a healthy headroom? It seems to be in the 6% on the one on the left.

[00:17:58] It seems to be in the 6% area. We're now up to 8, a little over 8 maybe. but I'm just wondering what would be a help team? So I'll answer that in two ways. The first, the change that you see from 26 up to 28 and 29 is really driven by the capital improvement plan and mainly driven by three, four major projects, the three schools that we'll be looking to build and the courts project.

[00:18:27] Now, those are some of the largest projects that we funded, cattle projects we funded, and that carries a large debt burden as well. And so that's a driver for what's taking that line from about 6% to the 8% figure.

[00:18:43] As far as a recommendation to give, you know, what I would say is a give headroom, you know, as the closer we get to that 10% mark, the less flexibility we have. And so, you know, historically 8% has been the mark that we've been talking about with the board, particularly in our work sessions and in previous years.

[00:19:03] And then I notice on slide 9, say few counties have issued bonds for affordable housing. This would be something new to Albemarle. And cities have redevelopment. There is.

[00:19:19] Has redevelopment. We do not. Regurgitating, as you have said. And the last question on page 6. Premier Circle, is that full of comments?

[00:19:39] I'm pretty sure I know the answer, but can you just remind the room, we talk about CIP allocations in the context of the annual budget, because that's when we also review a five-year

[00:20:17] CIP. But my understanding is we're not, in the context of the budget, we're bound from midstream changes because we can't change our tax rate in the middle of a fiscal year, right? We have a total planning amount for that year. Generally, other than making sure we're planning for the interest payments, we can actually issue new debt, do new things with the CIP in the middle of the year can't we um I will I will start but I'll let mr. Bowman add a little more detail on the planning particularly on the debt side you know

[00:20:53] we should we typically issue bonds about every two years and part of that is is the quantity of the number of amount of bonds that we're looking to issue the cost to go through the process to issue bonds on a more regular basis it makes a a little more sense financially to bundle those you know that also as we look at building out the CIP we plan for our cash flow needs you know related to our operating but also the capital component of this and as we work through the bond our bond schedule that really you know ties into often we issue the debt and so we really want to work we work hard towards trying to make sure we

[00:21:33] have that on a regular cadence. Mr. Bowman would you add anything else? I'll add one example and maybe to help the board think through this a few years ago we had in the cip an annual amount of economic development funding that funding was able to then be converted to the rubana futures project

which again the money was there it just changed from a concept to a real project mid-year we updated the budget to reflect that the bonds were issued as Mr. Sumner described and I've mentioned that as a concept for the board as the board does not have to necessarily make a decision today because if that 1.2 million was kept flexible should a project arise at some point in the future that could be converted to a

[00:22:11] capital project but that's just sort of the concept when the things can be adjusted but by having those monies in place flexible that can allow for that to take place I'll add Mr. Sumner just misspoke of the four projects revented futures was the other one that contributes to the debt service growing in the out years as well just for the audience for posterity to insight into what I'm thinking with this question. We know, I mean, statutorily, the TOFA that the right that

[00:22:47] mobile home lot renters have includes basically an exploding offer to purchase. And realistically, this happens with other affordable housing developments in practice when they're being offered up on the market. Normally because their mandated affordability period is expiring, they often get sold two, three years before that because the person who is managing an affordable complex doesn't want to deal with redevelopment.

[00:23:16] It seems, and we get these, and we of course always get asked by our partners in the affordable housing space, oh, can you help us put together \$80 million, right? Which is a Herculean ask, and we're like, well, I've got 1.2 in the housing budget, right?

[00:23:34] I raise this up as this is something we encounter, And it does, I do wonder how agile in a pinch can be with these decisions through the CIP. It takes away the convenience of saying, I can't do that when we get these asks.

[00:23:52] Thank you. Madam McKeel. Thank you. All right. Just one comment, and you can correct me if I'm trying to phrase this. The CI, I think about the CIP as something that we develop in a five-year and then another out year of five years.

[00:24:16] So we have a five-year CIP. But we always know in the back of our minds, or at least I've always assumed, that that CIP can be adjusted at times. But it's much easier to adjust if we're talking about on a yearly basis, not within the year.

[00:24:37] Am I, that flexibility, so we can change the CIP, it's not written in stone. Yes. Things happen. But we normally have adjusted it on a yearly basis when we're doing this type of work right now. Is that yeah, I would say typically within the context of the overall budget process rather than a one-off Yeah, in the middle of the year. Yeah, aside from maybe minor project changes or cost overruns or reprioritization, right?

[00:25:03] That's how I'm always seeing it. Yeah, thank you. Thank you. Supervisor Mellon. Thank you very much. So on page 5 4.2 million In the housing books and is much of that already Allocated or is that unallocated?

[00:25:27] That would be unallocated. Once that would be appropriated by the board, then we would have a process that would need to consider what those requests would be. Right now, because it has not been approved by the board, there is no designation board at this time. So just theoretically, the most sort of conservative 10 to 1 ratio, we could get \$42 million out of them on a long-term basis and have that money be able to be, except the 3 is a one-time is 10 to last.

[00:25:58] Okay, that messes up my math. As you can see, I'm trying to figure out a way to have something that could then be used over a long period of time at great leverage to get other partners into the funding. And so I have tried to identify three is one time, 1.2 is what we have right now that is ongoing.

[00:26:29] And most of the board chose to take more of the 0.8 and put it to a housing in the current proposal. Yes, and I'll say we'll illustrate what that 1.2 leveraging could look like in just a moment. Okay. So I have learned some interesting things in a conversation on Monday with Michael Anderson, who works with trust funds across the country.

[00:26:50] And it was an eye-opening experience for me because I hadn't been in the mind that I was supposed to generate a nest egg from which we get interest and then have the revenue. And he said the very best practice is to spend it, But it's bringing in six or eight times the amount that you're spending in order to get other people to do what you need.

[00:27:11] No requirement to have the county building projects and managing all that. He said most communities mentioned that we're 800 across the country, very much up and running for 50 years. So we don't have to reinvent the wheel here. We just need to pick and choose the very best things that other people want to do.

[00:27:28] And apparently Richmond and Alexandria and Virginia have lots and lots of experience. it's not a general issue that we have to deal with uh so that's why i was trying to make sure i knew exactly how much we were able so 10 to 12 is what we can think about budgeting for if we were to set up a leveraging pot with ongoing money from this line and i'll walk through different scenarios um and i'll one of those we'll be looking at how much we could leverage with that one point too so that'll come up in just a few slides very good i will stop there thank you very

[00:28:05] much thank you I guess I just want to make sure I understand when we say CIP and we talk about borrowing it's you know clear to me that there are a lot of things in the CIP that we actually pay as one-time ongoing costs rather than actual borrowings but they're part of the CIP because of the nature of the project that is correct based on the eligibility for borrowing and life cycle best practices we wouldn't want to borrow for something with a five-year life cycle knowing the bond class for 20 so that's the best practice we work through with our staff internally and our bond council and financial advisor to get the right plan and so as we sort of weigh this possibility we also have to

[00:28:44] look at these projects and determine whether they have a useful life appropriate for borrowing and yes but also the pieces that are in the current CIP whether they're being from borrow funds or not is not I guess I maybe identified it here well but I'm not seeing it immediately as to whether or not this project or that project is coming from borrow funds so don't tell field repair I would think that's not for example like just a little bit more

[00:29:17] information on that then those are my only questions on the comments that I can make so thank you this one I know Supervisor McKeel brought up with the CIP and doing it on a yearly basis instead of half year but the projects that are in the CIP those are set that correct or is that something we can also In the first year, the capital budget is appropriated and moving forward beyond that, that is just a plan that traditionally is a starting point for the following year, but the board has

[00:29:55] the full ability to adjust those. The board could also adjust the current budget as well, but there would be more implications of that because things are under contract. But certainly years two through

four of the CIP, the board has a lot of flexibility to change if they would like. Actually change the amounts for the time and just in the context of the budget process, the flexibility exists.

[00:30:16] Thank you. Actually, I have one more question as well. In fact, on slide 10, I just want to make sure I – and I'm not proposing that this is going to happen. I don't think it is, actually. But if we had some horrible – the assessed value of properties went down like 10 percent, the way I read this, the 10 percent in drop in the assessed value would still only drop the limit on the 2 percent by 0.2 percent and the limit on the 10 percent by 1 percent Because you basically take 10% of whatever's there as the limit, and that's how much headroom you have, I guess.

[00:30:56] I'm trying to assure myself that we're far enough away that those kind of big changes actually still don't throw us over. Certainly the advantage of time would be on the board's side, because it's not an issue until fiscal year 29. And every year, the board would have an option, whether it be through decisions on the expenditure side with projects, decision on the revenue sides, or whatever that may look like.

[00:31:20] There would be time to work through that would look like that's one of the advantages not playing it at ten percent So you don't inadvertently find yourself above those policies And I would say in those projections you work with our financial advisors It's a fairly slow and steady growth rate in that red line There's not a large reassessment as planned in each of those knowing for just you know for that caution The further you get out in your financial projections the riskier it can get thank you All right, so this next section of the presentation. We're going to talk about the

[00:31:55] As we move towards scenarios and really illustrate some of the things that the county can and cannot do with affordable housing related to borrowing for affordable housing, we initially started with bond council. Bond council advises us on issuing bonds to help us in the bond issuance process.

[00:32:16] And we also work closely with our financial advisors. So the past couple of weeks we've been working with the pair of them and we wanted to say you know you know at the core or initially what can we borrow for related to affordable housing and so we get we did receive some pretty good clear guidance from bond council and the financial advisors that there are some very eligible expenses that are pretty clear in code that we can borrow for and there are some things that that are not.

[00:32:44] So just as a reminder of how we issue debt and the way that we issue bonds, issue debt, issue bonds, is we issue bonds through the Economic Development Authority, the powers that are articulating the state code with the EDA.

[00:33:02] So in that context, the board or the bond council looked at what are the powers of the EDA within state code and what are the powers for localities within state code. And so these recommendations or these eligible expenses that are listed on the screen, check the box on both sides.

[00:33:20] So these are eligible expenses that could be borrowed for with bonds that are issued through the EDA. So that was kind of a dual check, dual lens that we looked at. So the first one is making grants, and really making grants to facilitate the construction of affordable housing.

[00:33:40] There is the ability within state code that allows both the county and the EDA to issue debt or to issue bonds to help fund a grant pool. Now, it doesn't give guidance on how much or what you, you know, specific eligibilities, but there is the ability for both the board and the EDA to issue those bonds to make grants.

[00:34:06] The second component is really focused more around what we typically see with our capital improved projects. These are infrastructure or what we call public facilities. So for our normal CIP, public facilities would be things like the courthouse, school buildings, things like that.

[00:34:23] Those are considered public facilities. So if the board wanted to borrow funds to help invest infrastructure related to development for affordable housing projects, As long as, in the end, what we expend those funds on is related back to a public facility, that would be an eligible expense for borrowing.

[00:34:46] An example would be if we wanted to borrow or if we wanted to help build out water and sewer infrastructure. Because water and sewer infrastructure, in the end, gets turned over to the service authority, which is a public facility, that would be an eligible expense. They'd be the same thing for roads.

[00:35:02] so our roads in the end get turned over to BDOT, that is considered a public facility as well. And so when we issue our tax-exempt bonds, those would still qualify to receive a tax exemption, but also be eligible for both EDA and land.

[00:35:24] Land is another eligible expense. So if the board wanted to borrow funds and use those funds to buy land, That is absolutely within the ability of the board and the EDA to issue bonds to pure land.

[00:35:41] And it would be up to the board to how they would, how would they want to deploy the use of that land, whether it was a donation, whether it was conveyance to the EDA that could then be leased for a long-term lease for affordable housing. There's different structures and constructs that can be drafted on how that land could be used for affordable housing, but the actual purchase of land would be okay within the context of the state code.

[00:36:10] Bond Council, however, was pretty clear that there is an ineligible expense. They said it is not appropriate for us to borrow funds or for the EDA to borrow funds to fund a revolving loan fund. So to have a revolving loan fund, you want some type of seed to start before you start making loans out of that.

[00:36:32] They were pretty clear in my conversation with them that that would not be an appropriate use within the confines of the state code to issue bonds through the EDA for that purpose. So now that we've set the stage with what is eligible and what is not eligible, let's go a little bit further into the baselines we are building up into scenarios.

[00:36:58] So again, borrowing or leveraging is really, borrowing is leveraging those ongoing revenues because we want to match up and ensure that we have an ongoing funding source for the debt service payments that come from issuing bonds. So the point for asset dedication yields about, in that context, yields about a \$1.2 million annual revenue stream. So that's one of the base elements of the scenarios is that \$1.2 million annual revenue stream. The next component is when you issue the

[00:37:35] bonds, that creates a one-time pool of funding. So you have the ability to use a larger pool of funding that you've leveraged from that ongoing revenue, but at the same time, we are then obligated to pay that debt service over a much longer period of time. And our typical repayment period is 20 years. So it's a one-time pool of funding, really more at the beginning of the borrowing, that then obligates us to that annual debt service over 20 years. And in this scenario, for as we're building the elements of the scenarios each one million in bond proceeds yields about eighty four thousand five hundred in annual debt

[00:38:14] service payments so that's based on the rates that work we're currently seeing so those are the elements that are going to go into the scenarios so we have three scenarios we have three scenarios that

we're going to walk through today the first one is now option a is what's currently proposed you know it's the proposed CIP with no affordable housing projects in it right now it's it's not leveraging any of the 1.2 million dollars of ongoing revenue that's in the

[00:38:47] proposed budget option B would be what if we leveraged half of that dedicated revenue and the last option we'll talk about today is what if you leverage it all and it's really good to answer Supervisor Malek's question is how much could we borrow creating it in a pool by leveraging that full 1.2 million so that would be the third scenario that we talk about so for each of the scenarios we've laid them out in this format and just to orient the board and the public

[00:39:24] to how these slides are are crafted at the top where we have revenues this really represents that ongoing revenue stream so this is the 1.2 which represents that for 0.4 cents dedication of the real estate rate and then for scenario purposes we've assumed 4.9% annual growth which matches our our annual growth rate and our long-term financial planning so over the over the five-year time frame and what you know we usually typically talk about the CIP in five-year increments that's that's why we also have five years presented on

[00:40:03] these scenarios we would expect the the point force in dedication to generate about 6.8 million over those five years on the expense side you'll just see we have zeros there's there's nothing in this base scenario related to affordable housing capital projects or the debt service so again this this base scenario is what if we did not dedicate any of the revenue ongoing revenue towards the debt service and from leveraging the pool so this would allow for again that

[00:40:37] same amount 6.8 million of programmatic expenses related to affordable housing so again this is really baseline this is very much what has been proposed in the current budget particularly in for the FY 26 column anything beyond FY 30 the borrower would have full flexibility as well and that's going to be because there be in the next scenarios, next slides, there's less flexibility when we go to leverage and have

[00:41:11] debt service in the out years. So let's transition to option B. What if we dedicated half of that \$1.2 million of ongoing revenue? \$618,000 would be the debt service. So about half of that is about \$600,000. About \$600,000 in debt service gives us the stability to borrow about \$7.3 million.

[00:41:38] So what you see in blue up in the revenue is that would be the pool or the funding source of the affordable housing projects that we could leverage with half of the dedicated revenue. So again, for our purposes here today, and again, these are just scenarios.

[00:41:59] If we were to issue the debt or issue the bonds in this first year, we could have \$7.3 million available for projects. Now, on the expense side, you'll see the 7.3 also highlighted blue. That would really be the funding source for the housing projects.

[00:42:21] What's down in gray is the ongoing debt service. So out of \$1.2 million, the first \$600,000, \$618,000 would go towards paying off that debt service to pay back that \$7.3 million. And even though you see it on years 27 through 30, this would continue all the way out from 31 to year 46 because this would be a 20-year debt issuance.

[00:42:49] The ongoing expenses are really programmatic expenses would have decreased because we need to carve out some of that for the debt service. it would really have around that 600 growing to about 880,000 of additional programmatic or annual opportunities for affordable housing on top of the 7.3

million that's available for the capital projects or the affordable housing related projects so again half of the half of the dedication of the 1.2 million

[00:43:29] scenario B would yield about 7.3 million in project funds for affordable the trade-off would then be about six hundred and eighteen thousand annual debt service for the next 20 years and utilizing portion of that dedicated revenue the last option last scenario that we have prepared for the board today is what if we leverage that full 1.2 million so the calculation of what

[00:44:04] would 1.2 million of debt service relate to from a borrowing perspective we could borrow about 14.6 million dollars that would be for one-time purposes of a use for that could be used for affordable housing projects for those eligible expenses that I mentioned earlier however what you would see especially compare it to the the scenario B or scenario a ongoing eligible expenses or more programmatic expenses will be greatly reduced there'd be there be less flexibility and growth in dollars that we that would be dedicated

[00:44:42] towards the programmatic side mainly because all of that dedicated revenue would be used for debt service really what you're seeing in those outer years is really just the growth because we first things we want to pay is our debt service related to these projects so those were those three scenarios are really the one end of the spectrum with no leveraging of the ongoing funding the other end spectrum of using all the you know leveraging all the dedicated revenue and then one right in the middle was you know split split the

[00:45:15] difference about half so as we looked at the financial policies earlier we were talking about headroom you know continuing with our scenarios and our assumptions but we were curious how would each of these options these scenarios impacts the financial financial ratios and so if we looked at the debt service as percentage of revenues option a that is you know what you saw earlier in the slides as far as the financial policy that you project to be just over 8% at FI 29 option B would increase that a little bit more than

[00:45:53] option C will increase a little more now it doesn't get over the eight and a half percent but it doesn't it does eat into that capacity consume some of that capacity by layering on additional debt you know this could as with all debt issuances you know using that capacity we would want to take considered you know other capital projects any other capital projects that maybe either the pipeline or in relation to debt funding and then as we mentioned earlier we kind of talked about this as well you know what if what what there was an economic

[00:46:30] slowdown that would impact more of that that top line or that that threshold so relating back to the capital R2R financial ratios this is the impacts of those three options and lastly because I know there's there there should be there'll be questions I wanted to bring back this on some more of a summary slide if the board wanted to borrow for affordable housings similar to like we borrow for capital projects we the board could there are some some caveats of

[00:47:08] things that you you can and you can't borrow for and we talked about those earlier mainly you know the ineligibility of borrowing to set up or establish a a revolving loan fund, but you could borrow funds if you wanted to fund affordable housing projects that were either grants, anything that's related to infrastructure or public facilities, or if you wanted to purchase land related to affordable housing.

[00:47:32] But at the same time, I'd also, as we do with our capital projects, taking the other considerations related to our financial management policies, our debt ratios, capacity, and the ability to have flexibility in the future as we have more pressure in those ratios and also to recognize that this creates when you borrow or issue bonds that creates a one-time pool of funding for projects and the trade-off for that is is a annual debt service payments typically over

[00:48:09] 20-year time horizon and the last thing that that we mentioned earlier i'm going to bring up again here's the summary slide is we want to time the bond issuance if the board wanted to do any borrowing related to affordable housing we would recommend coupling those with our other cip related borrowings as well um it you know and that is that's really around um bundling those together and doing the same issuances at the same time as you could do the cip as you would do for formal housing so there's a timing element in this in that as well so with that um i'll turn it back

[00:48:45] I go to the chair and I'm glad to answer your questions and be able to have a go over any of those scenarios. Thank you. We will go through an order again. I love being first.

[00:49:02] So on slide 16, the dedicated for cents, the bond pursuits, that would go to up to 30 years, not 20 years. we're talking about um if we go to year 46 that's a 20-year debt but then so the amount we're paying the rent on the bond debt that would go for 20 years or just up to it'd be for 20 years it would

[00:49:34] be 20 years cost would be about 12 and on page 13 i was um could you go over that crazy one-time

[00:49:55] pool of funding obligates annual, okay, so it does obligate annual debt service, and that would bring us, that would bring it up to about eight and a half percent on our. It was about eight and a quarter percent in the ratio. Eight and a quarter, oh, eight and a quarter percent, okay. If you, if the board were interested in option C, leveraging all of the. Right, the other one would, I think option B would be correct, that would be all of the slide. On slide 12, your, on grants,

[00:50:32] We can borrow for, that would go to places like Southwood, things like that? Yes, ma'am. Okay. It wouldn't go for developer incentives. Correct. Are you referring to the Affordable Rental Housing Incentive Program?

[00:50:54] So the funding for that incentive program is essentially a rebate of the real estate taxes. and so that um the borrowing for that would not or the revenues to fund the rental investment um would not be for actual or actual building of homes to an organization that does that correct it could be yes if um related to the grants yeah so that so um in our conversations with bond council so if the board wanted to have a larger pool of funds if they want to increase that

[00:51:30] investment for housing investment fund and use it in the same way in a similar way to have in the past that would be an eligible expense and similar how we've given out grants in the past for the projects I mentioned earlier you know that is that would be okay from the bond council I mean I am concerned about the amount of money we're paying out if we do half of the dedicated point for that service for all of it you know the amount of money that actually doesn't seem to be helping i know it

[00:52:10] helps in the long run or short run but it doesn't seem i mean we're paying out a lot of money for this so i'm just i just have questions concerns about that that's all my questions right now mr going is what's the comparable in the cip of this type of some other category total amount of dollars if we're

looking at this as a snapshot and trying to turn 1.2 into something greater which it does but then we're looking at the 20-year cost which seems a little not palatable

[00:52:45] so what's what's the comparable in our cip that we've done for years it's not a hundred million dollar or a 50 million dollar project like an example 15 million dollar project i'm here i'm assuming i mean it would change given the year because rates are different etc etc but for the the most part we've we financed this amount before for other things yes and we're paying for over 20 years yeah i mean certainly when we think of projects like the courts or the recent schools i mean those are 40 plus million dollar projects to do that or to do an additional 15 million of

[00:53:23] debt i mean that's that that is something that is very common for this particular type of expense would be new but that doesn't mean we can't do it it's just there's a little nuance we have to be careful as we work through. I just want to put it into a perspective that it's not like we haven't done this before. Right, right. So when you look at the cost over, it's the way to turn the 1.2 into something more, and of course it's going to come with a cost. It comes at a lower cost for us because we're a triple AAA moderated care. Is that a fair statement? That's fair. Um, past allocations

[00:53:57] that we've made out of the housing fund, have we called them grants? Or have we called them contributions? Have we called them investment? Like, what have we called them? I think we've done a couple of things. One, we've done performance agreements so that there are some standards, sort of progress expectation. We've done, we've also made contributions and we've also made

[00:54:24] grants. I think we've done all three thinking about them generally as grants. And then if the, have you run, you probably haven't done this scenario, but right now you're assuming, you know, nothing dedicating half or dedicating all dedication changed and increased in

[00:54:56] year to run a scenario like that we haven't introduced that type of variable you know we wanted to really start with the the base of what we have now those are those are scenarios we could run you're one 1.2 and maybe the year twos 2.4 the dedication changes or the revenue jobs beyond your growth for the assessments.

[00:55:34] Would it bring down the 20-year cost since you're putting more in the out years? I guess it's the assumption to borrow and do even more projects or to use that cash to borrow a larger portion to not have a larger debt service payment.

[00:55:53] I guess I'd have to ask both. I wasn't thinking. That might be a follow-up. Conceptually, if we go back to the comparison, maybe on the debt chart slide, I'm sorry, the headroom slide.

[00:56:11] Yeah, the very end. Yeah, so if we were to add another \$1.2 million in debt service, we could imagine that we'd probably be close to the 8.5% of the headroom there. But if a portion of that were to be used for some cash, some debt service, it would probably end up a little bit in between those two.

[00:56:30] So we'd maybe bring it down somehow. Yeah, 1.2 in debt service in year one. The dedicated amount increased in year two maybe by double, but you keep the debt service at 1.2 and throw the cash. You could maybe stretch what you're getting out of the five years.

[00:56:50] Is that like? Yeah, conceptually, that would be accurate. There's a number of variables there, and we can certainly run a scenario if that would help the board. But those are ones with additional time, great additional certainty in terms of the amount the board would like to accomplish, the board's comfort

in terms of its debt service and that trade-off that you have in borrowing in terms of doing something larger right now and the flexibility trade-offs.

[00:57:14] And then the only way to set up a revolving loan fund is just with your cash, whatever you have. That's correct. Does it matter if it's ongoing or one time, just whatever you put in your fund? No, it would just need to come from the general fund.

[00:57:41] So if you did, so Supervisor Pruitt mentioned like the mobile home example, if you wanted to do a reconstruction or a preservation i guess that would count as construction so i'll give you a very uh so blighted like let's take a blighted property for example i would imagine acquiring it could be considered land because the uh the improvement wouldn't be worth it but if the county i'm not saying i'd want the county to do this but if the county then

[00:58:17] rebuild a house on it that's guess that's construction so that's still there but if the structure was such that it could be preserved or rehabilitated would that count as construction I think that there are some, this gets into some specificity around where that land or who the owner of that property would be in the end.

[00:58:42] So I don't think that bond counts would have an issue with us, the county buying lands and then putting some type of structure on it. Where we get a little tricky and there's little challenges, when we issue bonds, they're issued on a tax-exempt basis.

[00:58:58] and those really are for public uses. And that's why public facilities and infrastructure is a bullet point here. If that land and improvements were conveyed to a private entity, that may question our ability for those bonds to be tax exempt.

[00:59:19] So there's some nuances around the conveyance of the land component. Thank you. To answer Supervisor Galloway's previous question, we've got to conceptualize the 15 million dollar project not exactly if we think biscuit run park with all the improvements there to date uh the ones that are currently underway and then the additional fields and build out that's part of this the capital budget that we approved next year that would be in about the same ballpark financially and what's the debt service over this one year that we paid for that yeah i mean that would be uh i think it's profit funding i think tied into that one that draws it down a little bit but we can take that as a follow-up

[00:59:59] curious i mean i want some sort of perspective because it's immediate like oh i don't want to do that but if we're doing it for a park justify doing it for some kind of supervisor um i think i'm probably going to speak a bit but um mostly in the form of uh to our final side discussion rather than questions if that's fine um because i've been mulling this one a bit um this board knows that this was something i was interested in i was curious about i was one of the people who

[01:00:37] I would also just say when I'm interested and curious about something I often recognize that there's a good chance it will either be unfeasible or a bad idea. You should not underestimate yourself. I think this is a bad idea.

[01:00:57] I think option B and C are not good ways to skin this cat. And I want to kind of explain my thinking on this for this board because it might feel surprising. But the \$10 million target that I know I have adopted, I talk about and share as a goal that I have during my tenure on this board, it's not like a finish line and I cross it and then, like, the confetti drops, right?

[01:01:28] It's an annual recurring target that I think is important because I think \$10 million is the annual recurring funding that we should be willing to contribute into housing. ICB and C and they get us to drop the confetti one year and then actually it makes it harder for us in following years to reach that because now I'm losing 1.2 million that I would have to try and make it to 10 million each subsequent year. So I will hit it one year and then have a harder time hitting it every single year. It will ultimately cost us more than we will be able to pull down

[01:02:08] in that one year it will it will help khaki catch up on her unfunded list um and that is like an actual thing um right like we we are losing ground every year on housing's uh known project unfunded list i hope i'm not mischaracterizing it i feel like you would interrupt me if i am right they have a list of projects they know that are in the pipeline uh that our partner developers are interested in pha habitat um and i think that's probably getting harder and harder to manage and And this would help us make up some ground for a year.

[01:02:42] But it wouldn't help us stay abreast of it. It would actually make it slightly harder for us to stay abreast of it. I feel like we're looking at this and we're all interested in this because we want a shortcut.

[01:02:57] And I think the reality is there isn't a shortcut, period, other than like knuckling up and having the political will, if we believe in this, for annual dedications of funding, which is frustrating.

[01:03:15] I want a shortcut. And, you know, we could adopt option B. I could stand in front of impact at Nehemiah action tomorrow and take credit and say, oh, we've accomplished it.

[01:03:30] I did it, I did it. But that would be bad policy, right? It would be a political win we could nail down and maybe I'm gone from the board in two and a half years, right, and don't have to deal with the obligation that that acquired.

[01:03:50] I do think, I mean, also I think this is what Supervisor Galloway was starting to gesture at. There are certainly things that we need to be more comfortable thinking about as tools in our toolbox with the CIP. Salvaging expiring complexes and properties, actually dipping into these emerging, exploding offers, and maybe even thinking proactively about the ones that we know are coming down the pipe.

[01:04:15] Acquiring land, if we actually had a land acquisition policy, if we actually maybe updated our blight policy to include a thought for the acquisition of land. And this, I mean, this is the big one, building our own social housing, right?

[01:04:31] That's what CIPs for housing are used for. That is, I think, more ambitious than anyone on this board probably has an appetite for. But we have enough, I mean, we have enough buffer in the CIP that we can probably build a 100-bed complex and finance it for 20 years.

[01:04:49] I'm not sure that's the best use of our funds, but that's something that is within our scope. And that is what this tool is for. I don't think an appropriate use would be something that is so targeted and intended for kind of annual one-time operating funds.

[01:05:09] Because, I mean, the other thing, Jacob, you intoned toward this, but it is also probably best if we're using CIP money on things that improve our future revenues, not things that make our future revenues more challenging, which this does.

[01:05:29] It's hard to nail down a number, but Welding Cooper suggests that we get about 39 cents more of a penny in costs than we do in revenues from an individual new resident, right?

[01:05:48] So this would actually, this would be a CIP expense that makes our future services more onerous. I still think this board needs to think of how we're going to get to \$10 million.

[01:06:06] I think this is not the way, because I think this gets us there for 2026, and then puts us back to where we started. As I promised, I had no actual questions.

[01:06:27] Supervisor McChin. Yes. Thank you, Mike, because I agree with you completely, and I really appreciate your going there. And I would just add that right now with what's going on, the federal level, the state level, this would scare the bejesus out.

[01:06:50] I'm sorry, but we don't know what the landscape's going to look like in two days, much less than five years. I would be very concerned, given where we are. But certainly, even if we didn't have any concerns at the federal level right now, what Mike is describing is concerning.

[01:07:13] And I would just add that I really do think trying to get to this \$10 million is a huge it's really more complicated than it just seems but having said that this board could look at acquisition of land we have that blight ordinance i think looking at some of that is a much more viable option certainly right now given where we are um the other thing i just and maybe ann's going to get to this but ann brought up something that alexandria and i've forgotten the other

[01:07:53] was it Richmond, they're cities, and I don't see how we can do without a redevelopment authority established how we can get to what Ann was referencing, and maybe, I don't know that we even need to take a lot of time going into that right now, maybe Ann's going to ask that question again, but I would be very concerned in this climate, financial climate to to take this move I mean I just as much as I'm would love to figure out how

[01:08:31] to get to that anyway thank you very much

[01:08:50] someone was talking about Jacob you were talking about rent rules and things so some ifs if the county adopts an ordinance lays out the process etc for the housing then puts out an RFP for competitive projects to do XYZ some units if the county provided this is the site got it um would money that was put toward that be called the revolving loan fund or would that be called just a regular some other category so

[01:09:26] eligibility wise this seems to be the basis for how all these other ones and i've only learned about a few are functioning instead they're partnering with others they it's not just the local 10 million dollars or 1.2 it's all the philanthropic and outside private funding that's coming in that is the real difference that I see between something like that and taking the three point four point two million dollars cash that we have and using it programmatically year after year after year we're not getting houses for people so that's in my goal is to try to figure out a way to get

[01:10:06] structured and mortar for the taxpayer money that it's going in to help people who don't have any houses of any sort so I'll stop there and see if my question is coherent partially I will say you mentioned the revolving loan fund so what you described would not be part of a revolving loan fund because revolving loan fund is typical when you have a pool or principal funds that is then lent out with anticipation that they're gonna be repaid to basically you know reinvest into that pool that can be lent out again that would not be an

[01:10:44] eligible expense for anything related to the projects that we talked about today day because the the principal or the the funding for that initial revolving loan fund would need to come from general fund dollars and not borrow uh proceeds but it could come from one time it could come from one time it has to have us revolving loan funds thank you because the whole reason why i wasn't panicking about the annual debt service was because it was going to be multiplied by outside dollars so that's the whole basis for doing this i think is to bring in the other funding that

[01:11:16] can be leveraged um programmatic funding should be reduced so if someone has it off the top of their head the programmatic side funding that we have that would be reduced is grants to people who need it these kinds of things that that increase dramatically during that are being budgeted for how many hundreds of thousands is that that would be in jeopardy if we did this someone said that the programmatic side would go away so in the scenarios and again these were just hypothetical

[01:11:50] scenarios um in comparing comparing particularly the um option a versus the option c um and i'll go to the option c slide because that may help illustrate uh and in option a the annual you know so you're looking out past 26 27 28 there would be about 1.2 million dollars that um plus you know that the board could use for programmatic expenses whether that's paying additional grants you know you know similar to what we're doing now with the affordable housing investment fund however the the

[01:12:23] other side of that is if if we were to leverage the full 1.2 million we would be obligated to about 1.2 million dollars of annual debt service for the next 20 years and so that the only additional programmatic revenues that would be available from that dedicated 0.4 cents would be what's highlighted in green in this scenario through the out years so that that is the trade-off we're trying to illustrate is you know the there is the

[01:12:59] ability to leverage that ongoing or that ongoing funding but there is a long-term obligation associated by taking on that type of debt I understand the dollars so I'll stop with that when is the next borrowing time we just did one within the last number of months so two years out is when the next bundle would generally happen we haven't issued in the past year or so so our next issuance is planned for about a year from now so we didn't just wait

[01:13:36] going out in about spring of 26 the it crossed my mind when people are talking about paying cash that in 2008 the county policies had a very high percentage of cash and much less borrowing for 20 years before and one of the things that was done to be able to keep projects going was to get back to a normal a more normal person's approach instead of buying a car in two years you buy it in five i mean it cuts down the cash and for the low interest

[01:14:16] rate that we were paying at the time it made so many things possible so i would just push that out there that that making the dollars go as far as possible i think it's really really important henrico uses and for those of you who were at the housing conference the henrico description credible because they have a i forgot i have to transpose my notes but a whole system set up to use the bladed property get control of it and leverage it i mean it was fabulous what they

[01:14:51] accomplishing and the leveraging to their dollar was 20 to one so we have i think the capability to do this it all seems to start with adopting the ordinance so that we then have the process to be able to send the rfp because we can't do that and right now i have a sense that we're being sort of taken to the cleaners by people who wants the cash dollars i mean i read an article the other day that this is the new thing is the venture capitalists are just oh let's there's lots of cash in affordable housing let's make

ourselves into an affordable housing thing and go get some and they really don't care about the tenants i mean we're lucky we have developers here who build stuff and own it forever and take care of their residents. Those are the people I want to

[01:15:30] be able to be in the game and figuring out a way that legally makes that extra points or whatever for somebody who does that. Seems like that would be fair. We have salvaged expiring properties in the past, in the last 15 years for sure. One that's in your district at least was heading up to its 30 years and got a huge amount of cash to make it get another 30. But it did not have, it stayed in private ownership which is still fine so what I was told for Richmond and

[01:16:08] Alexandria they did not have it was not through a housing authority through their trust fund because that was the whole point of the conversation was examples where in Virginia the affordable housing trust fund had worked failed something so that's all I have to offer I'm still in favor of certainly heist getting the ordinance thing going and I'm certainly in favor of figuring out a way to do something because despite all the uncertainty going forward the more certainty

[01:16:43] we can get for building bricks and mortar places for people to live is really high priority for me and because i guess that's sort of up until covid that was what the county did it didn't have all the other um pre-covid services thank you thank you uh this is a difficult one there are a lot of factors to weigh um but you know from what i see on the slides uh you're at this point saying that for a million dollars borrowing you end up paying 1.69 million

[01:17:22] back over 20 years uh with the 84 whatever um so the idea is basically you do this when you want to have it now uh that's worth the extra cost of paying of more over time where you think that the value of that money over time is going to make up for the fact that it costs you so much more. So obviously interest rates and other things will enter into the decision and whether this is an opportune time to do that. Of course, you know, and for that reason I think it was different from Biscuit Run or some of these other projects where, you know, you have to do it

[01:17:57] before you can even begin to enjoy the benefits of having it. Now you may disagree about the priority of it as to whether the housing is more important than the Biscuit Run, but I just don't seat-biscuit run is something you can do incrementally in that sense and one of the issues that I have here aren't we doing it incrementally yeah we are somewhat doing it I shouldn't say that but you should yeah you're right we are doing it incremental but I would say that one of the issues here is how quickly can we adjust if an opportunity presents itself and what I'm hearing you saying though is that you borrow over two years you know every two years so

[01:18:37] without that we don't really have a ready way to adjust yeah and that really goes into the planning aspect so as we when we look at the timing of issuing our debt we're looking at our cash our cash balances and our cash flows and then particularly the cash needs for those capital projects and so we we're very thoughtful of when we go to issue that debt and having that information ahead of time of knowing what projects are going to be you know need that funding so like the course project when we need the funding for that is appropriate in relation to also

[01:19:17] our cash balances that really helps us determine what is the best time to issue the bonds and so the greater the lead time the more information we have the better we can make that recommendation we have in the past issued bonds and well i guess there are limits as far as when you said timing previously there's obviously the timing of the issuance but what about the timing of the expenditure are we

prohibited from issuing bonds and then just holding on to the proceeds and I know there's arbitrage limitations right yeah so our

[01:19:55] practice in the past has this really goes to the timing aspect is we will reimburse ourselves with bond proceeds for the capital projects and so if you think about the operating side of our general fund budget we have revenues coming in and expenditures going out and that that has you know a balancing effect on our cash but when we have capital projects that's really a draw on our cash until we replenish that cash from the borrowings or from from that bond issuance and so the as I say I'm looking at we're looking at our cash

[01:20:31] balances we're looking at the timing of you know how low will our cash balances go before we're ready to issue issue the bonds now we can and we did we have issued bonds before we've actually incurred the cost or had the expense and arbitrage does come into play but you know I'm not I'm not too concerned about arbitrage I think we can work through that and that just requires an extra level of planning and so that doesn't bother me too too much however when we repeatedly go out to the bond market and work with our rating agencies and one

[01:21:09] things they're going to look at is how we have we borrowed the funds and utilize those funds and so it is I don't say it's challenging but it's it's best practice to use those bond proceeds in a timely basis as opposed to having debts in our books for you know multiple multiple years you know five ten years before we actually deployed those those those revenues in a capital project for instance so it's once there's a hard and fast rule related to like an expiration

[01:21:44] of those bond proceeds but there is best practices that's actually comforting because I am leaning towards what Supervisor Pruitt described as the scenario where doing this this way it seems to tie our hands too much in future years putting us 20 years in the whole waiting for this but i'm going to offer up just a different way that i'd like to think about this i'm not suggesting that everybody will adopt this but we we focus so much on the 10 million dollars and we should focus more on how many units we expect to get built and how will we accomplish that because you've also mentioned for example incentives

[01:22:22] where you would do like a tax increment financing in which case it doesn't really uh you know borrow for it you don't have to put it in the budget really the same way it just is a way in which the developer has helped to finance their affordable units and we don't count that but i think we should because i think we should be looking for ways to help build affordable units and so um i i guess i just you know we we talked earlier segment you showed us a slide that how how many proper proved proper units proffered units were out there but they're not built and i don't know how long it's taking them to get built and whether there are other ways in which we

[01:23:02] should be focused on how we can get units built more quickly that have been brought um and so yes i get to go again everybody can if they feel the need so um so i agree also the supervisor for uh i'm not in favor frankly in the cip way um i think and i am concerned we're talking about blinded homes and buy the land i think that's okay as a general policy to do if it's a blinded area we can buy the land okay that's one thing as long as we can put a triplex for a place

[01:23:41] that on the ground because i think what we want to do is actually build more housing and i know we have enough we built over i think 2200 i'm not exact yeah i saw the numbers but over 2,200 I think and I think we have or 2,500 we have something like 2,200 in the pipeline so I'm wondering where

are those in the pipeline and if there are ways that we can get once someone commits that we can actually get all of those you know that's close I think it's if all those got built it'd

[01:24:20] be close to 5,000 so which is a good chunk of homes I agree with the tax doing it with the developers I spoken to doing the tax increment that seems to really really be a motivator but pardon me pardon it for them and maybe even include something in our ordinance that allows units being for affordable housing being built to completion to be a fast track as far as a permitting process because I they say some of them take a long time and that costs a lot of money

[01:24:59] so maybe that's a special way to building all these units with X number 20% of affordable housing and we've put it on a fast track the other question I was going to ask and I think Stacy answered it for me I think there's only been one maybe two developers and one developer that has come forward since we've implemented the 20% of affordable housing is that correct my pardon is that right I've heard alternatively two different people.

[01:25:33] Okay, so... Two conversations so far, none before you. Okay, so they're not jumping at it. So that concerns me. I mean, we can talk all we want, but if the houses aren't being built, that's not going to help anyone.

[01:25:51] So I'm in the mode of getting the houses, of getting the things built. The other thing that I keep, I mean, others have brought it up too, is going higher. In the development areas going higher, going past the four floors, five floors, going up to eight floors.

[01:26:10] They do that in other communities so that you can put in more. Because I'm also concerned with what Supervisor McKeel said, going, we don't know what's happening in the federal government. They do things at the federal government level.

[01:26:28] We've heard about things that have already happened today that were going to impact us. that's going to go also down to the state and for the state it's also going to come to us we don't know what's happening that's what's driving frankly driving me crazy it's almost like we were in the pre-pandemic when COVID happened and then Mr. Richardson we went into a lockdown mode of three months six months six months and I think that was very important I think it was very wise And I think it saved our community as opposed to maybe some others, but there's thoughtful thinking here

[01:27:05] And I think we also need to look at new ways to increase revenues That aren't going to destroy the landscape or anything, but they're going to You know additional funding to our coffers. So it's my I guess that those weren't any questions I'm sorry, it's a statement. I just copied the Supervisor Pruitt. I'm sorry.

[01:27:31] I just might want to just add one thing, which is we're talking about a variety of different strategies. I think some of these strategies have their place, right? The idea of capturing blighted properties, potentially as land, right, that has its place. That's also not a, that is not a ground shift solution, right?

[01:27:49] We've had four properties before us on blight since in the last two years, I believe. and they're all in the rural area where you can't actually get one in the development area point being this this isn't the kind of thing that gives us the kind of actual and the opportunities to acquire land for development as exciting as I think that is and it's into that as I am and hear me when I say I'm with the current

development area boundaries I don't think that's realistically going to right like it however many years when we actually are having a conversation about expansion of the development area maybe then we

[01:28:27] We could have a serious conversation about like, hey, how about we acquire X many acres, right? But that's not the thing that's before us. I say all this just kind of get at what I think is an important nugget. I feel, and I want to communicate and share with this more, Supervisor McKeel, I've got a very briefly pick on you.

[01:28:48] It's okay. You said \$10 million is complicated. I don't think this is actually a complicated. I think it's a hard problem. we can get to 10 million dollars in a in a way that is quite simple it's hard it is hard for our constituents it's hard for us as a decision-making body but like 30 cents on personal property and one cent on real estate more than what we advertise gets us there that is simple it's hard i'll take your amendment i'll take your amendment

[01:29:20] um but that's the and i worry every time we talk about housing we confront hard we run up against that wall of difficult choice and we say oh what are some what are some complicated things we can do instead that don't actually get us there um and i think if we're i think if we really do want to make a deep and generate we have to accept that there are going to be hard choices and this is to me i think the most immediate one that is i believe in i believe in this number i think it

[01:29:59] is an appropriate number um and i think that requires some knuckling down and figure well I don't want to spar back and forth, but I don't disagree with you on what you said. The complicated versus the hard, yeah. I have additional comments in a moment.

[01:30:20] I want to clarify a few things because the way, and I don't think that Supervisor Pruitt was being critical, but I don't think I've explained to myself, as I think Mike said, he'd like this board to understand how they're thinking. I've explained to myself the impact, actually, just a week ago, that if they thought for a minute that I was replacing CIP dollars with the \$10 million that they should call BS on me because that's not what it is. But what we have to try to do is not, I don't care if it's 5 million, 10 million, 20 million. We have to grow the capacity beyond that. We're not going to really

[01:30:57] fix this problem down there. I'll use Southwood as the example. If we would have known what Southwood was to us from a financial standpoint back then in the way that we supported it over and over again, if that was parked in our CIP, it was an ongoing project that reached a level or a dollar amount that would have made sense to be in the CIP from a support standpoint.

[01:31:20] And all those one-time dollars we've thrown at it over the last six or seven years would have been free for other things. So I'm not trying to be cute with constituents that I've stood in front of for years saying I supported the \$5 million, we got there.

[01:31:39] I've supported the \$10 million. It was simple, right, to raise it by a penny and the thing, but there were no motions made to make us vote on that, so we'll never know. Well, we can all, we're out from, we're not held to anything now, wishy-washy.

[01:32:00] So, you know, budget time is when it's time to make motions and put people on the nose and decide what your priorities are. And we're still within that budget. So \$10 million this year is hard. You're right. I'm happy to start making votes on how I, where I think we need to be.

[01:32:19] Happy to do it. But whether we get a 10 or we get an 8 or we stick with where we're at, we have to find some more interesting ways to create more financial capacity to deal with the housing issue. And that's why I brought up the CIP issue. We do it for everything else. We do it for roads. We do it for our parks. We do it for our schools. If we have a big project that we know is going to be a multi-year project and we think it's worth it, then I think the CIP is the better avenue for something like that. RST. Maybe RST could have been

[01:32:54] a project that said, well, if we had been using the CIP and we had some capacity there, maybe we could have taken on the infrastructure costs of that and kept it at 70 percent units affordable and not moving it back down to 15 percent units but all we had at that time was what half a million dollars the hell are we going to do with that so this isn't just about you know Ned trying to get cute and worry about what people are going to say that I've committed to or not committed to trying to solve this problem in a way that's bigger than 10 million dollars because

[01:33:32] we've had two years ago we had 20 million dollars in requests you know when's the trust fund conversation we're gonna we got it I mean we've got tools we've got tools beyond the trust fund conversation all of that's going to require dollars to go into it and if we can have some cash some ongoing money and the CIP all working in our all in the same direction I think that finally builds some capacity in this county that could people could count on if you saw a 15 million dollar five-year request that wasn't necessarily dedicated to a project and you're affordable housing developer out there, you might come knocking on the door in a different way than

[01:34:07] if you see \$4 million or \$10 million in a housing fund. It's a different level of commitment that you're suggesting to the people. Maybe I'm wrong, but that's what I think. So I appreciate all of this. I didn't think anybody would arrive at a decision yet today, including myself, because I didn't know what the out-ear ramifications were going to be. But if you all were deciding right now that we shouldn't be thinking about affordable housing in our CIP, I think that's a bad decision.

[01:34:39] and you know we still have to grapple with the rest of our budget and what we're going to do and where we're going to we're going to put money so please please don't think of this as an either or i wasn't thinking that the 1.2 million dollars to fund the debt service was necessarily coming from the 0.4 cents dedicated we've got a board strategic reserve sit there where we can move monies around from so we could keep the 1.2 million in the full housing fund we've got what 1.8 million dollars in there 1.9 so that 1.2 million dollars could come right out of there to pay the debt service and we don't lose the 1.2 extra dollars in the and that was dedicated for

[01:35:16] the housing fund it's to your point it's about making decisions yeah that would leave us with only what point seven hundred thousand dollars but how much did we spend out of the board strategic reserve last year in the current fiscal year not a whole lot these years has probably not been more than a couple hundred thousand a year and the only thing coming out of last year's budget that i remember us talking about was if the emergency assistance fund ran out you could come come to us and we have that reserve that we could go to. Well, let's not let it sit around another year.

[01:35:46] There's a pool of cash that could be used. And don't forget that the pipeline with all those units are at 80% AMI. New metropolitan statistical area median income is \$125,800. 80% AMI for a family of four is what, \$104,000, something like that, household income. And \$4 million, \$6 million, \$10 million doesn't get us a long way to helping folks at 60% AMI or God forbid, even lower.

[01:36:20] So we have to come up with better strategies and tools that go beyond our normal way of thinking. All right, I'm done. I'm hoping that maybe we'll take some votes today on dollars.

[01:36:36] I'm going to get in for that round, too, because I missed out on that. Okay, so someone made the comment, a million dollars to get \$1.6 million over 20 years. That does not make sense.

[01:36:52] If it's a million dollars in interest over 20 years, you're getting \$20 million for that interest. \$1.69 million is what you pay back over 20 years to borrow a million today. But you get \$20 million for that, over the 20 years.

[01:37:08] No, no, this is just per million. You can't have a minute of interest in one year and revenue over 20, that's an unfair math. My point is that, yeah, you have \$1 million, if you borrow \$1 million today, you're going to be paying \$85,000 for 20 years, and over the course of 20 years, you will have paid back \$1.69 million for that one month.

[01:37:27] Okay, now I understand.

[01:37:31] Great. Okay. So to me, it's the solution. The reason I'm trying very hard to get somewhere with some of these options is because just sending what cash we have out the door or without the contracts, without the competition, without the RFP, without county dollars to be able to help to put the financing together on all of these things that other communities are doing, whether they're getting eight or ten different sources.

[01:38:09] They're not building the things they're building and renovating the hundreds of units here and there on taxpayer dollars they're doing it based upon all this other outside money and this is Established local businesses who are doing this work in other communities who have these structures available Our local guys are working in Fairfax working in Chesterfield. So we know that this is not a new deal new thing So 30 cents on the property tax and all that the personal property and the extra penny is not something I can support

[01:38:47] Because it will drive out the moderate-income older residents who don't qualify for the waiver program And there has to be a better way to bring outside dollars in to make this happen. So I think I'm sensitive to the The financial chaos in the world right now It's chaotic in my household, but it's also chaotic for all the people who need the houses We could be building if we can figure out a way to get all this outside dollars to work in our community as others are so

[01:39:27] I have to say and I can support option B if nobody wants to go to the option C I can certainly support option D to get started I'm interested in split staff has any we've been you've been hearing a lot here Do you all have any comments or thoughts?

[01:39:47] anything you would like to add? I'm just asking staff because I want to make sure you all have the opportunity to respond if something's been said that is incorrect or that you'd like to or just thoughts. I think I'll go first and if others would like to chime in please do. I think the intent of this is it's going back to Mr. Sumner one of his first slides. We talked about the spectrum of housing needs. There's a wide range of needs and there needs to be a wide toolbox of Solutions and this is one we've explored and really have a lot more confidence. We've looked at this board This is an option to build the board. It's not to say that it needs to be used today or tomorrow

[01:40:26] Whatever that may be But this is something that the board is not ready to build something in the CIP now That's okay decision can still be made later and get some of that while these other conversations play out And so there's the kind of the board that immediate action they take on May 7th when they adopt a budget and adopt the CIP but there's still opportunities to refine what that strategy looks like in multiple years.

[01:40:49] What I've heard from the board is don't amend the CIP today, but not closing that door for the future. I would look down to the right side of my table if you all would add to or clarify or approve upon anything that I said. That was the only thing that I would have said, board, is that I think Mr. Sumner and the finance team, by meeting with our bond council and by meeting with our financial advisors, Davenport, who does work all over the East Coast that we're trying to, Mr. Galloway asked the question, and that is I'm looking to see how we leverage. And that was through the CIP. And I think the

[01:41:25] staff did a good job today of explaining to you how that would work. Today, if that money stays in the recommended budget and the 0.4 stays in there as \$1.2 million of ongoing money, You can revisit that at any point in time that you want to, if it's the will of the board, to look at dedicating \$1.2 million through the CIP.

[01:41:51] I think also the timing of us issuing debt is something of significance because we have to bundle. If this becomes a strategy of the boards, we have to bundle this with other stuff. We can't do this by itself.

[01:42:07] that wasn't that was advice from the financial advisors is it would not be seen as favorable unless it's bundled with other debt ma'am sorry that would be this yes ma'am yes ma'am no no I didn't understand your question you're talking about this physical year you said earlier that we would look at doing issuances one year from now and Jacob can follow up on any question you have regarding that. So, I mean, that's the, I think today, our goal was to try to frame that out in

[01:42:46] terms of the do's and the don'ts, if there are any, and then what's possible. And, you know, the other thing is, is we continue to do our work in the manager's office on management contingencies because of the uncertainties that we see that are coming out of the federal government. We're not in a normal spot right now with how things are going at the federal level and how things are going at the state level related to our financial relationship with either the state and the federal government.

[01:43:18] And this board has specifically asked for us to begin to pay close attention to that as it relates to grant money that's coming from the federal and the state level. So if you hear a level of caution with us, that's probably some of the reason for that.

[01:43:36] And so let me just ask, Jacob, I want you to be able to respond. what you're saying my understanding is just to put it in my simplistic way we have time to come back to this at a later date in the meantime in my head what that says to me is we can wait and see if the federal government and the state governments if our work with them stabilizes or if the situation continues to get worse that's an option for the board to consider that's a strategy for you for you for you to consider but just we don't have to close the door on this

[01:44:10] to that is what or anything that you would add no and you know one of the reasons why we brought back the the housing continuum is is to show that there are multiple tools that will need to be used to to address affordable housing in our community and this is a tool we hadn't explored before i really

discussed you know with the board before um but it is a tool you know and we kind of walk through with that you know the trade-offs are and how we could utilize that tool the board wanted to use it but there's no no decisions that on deploying that tool

[01:44:44] right now have to be made previously a few moments ago said how much roughly we've drawn down from our strategic reserves in a single year can you tell me that number one more time it's uh it's probably not more than a couple hundred thousand a year that balances 1.9 million in one-time funding I can't recall what it was was created a few years ago but it was not more than 3 million if I recall correctly you had a chance to eat okay yes two things someone

[01:45:22] mentioned Southwood and that's a perfect example of leveraging movement they paid seven million for the land have spent twenty million on the rehab and they brought in a thirty million dollar so our six million dollars or whatever it is has been multiplied many many many times over and it's helping 400 families of our residents who have been here a long time.

[01:45:46] So that's always been my go-to place when we're talking about things we're doing right. The discussion just now reminded me of when I was 17 and worked in the bank the summer after high school, and the manager assigned me the task of my \$30,000 house, mortgage, 1967, 6% loan, figure out how much you're going to pay for it at the end.

[01:46:15] I freaked when I found out it was like \$87,000. dollars. That is life. None of us who don't have a million dollars in our pocket are going to pay cash for things like this. And I just wanted to remind us to be thinking about, say, buying a car for two years versus five. The world is, our economy seems to be based on all of us trying to stretch their own van as far as we possibly can and still do it all right. So, as I said, I'm still in favor of doing more than we can, and I will

[01:46:53] try to get more details on these other things I've heard so that others will have that information. And I guess that's all I had for today. Okay, quick point of clarification, not to be a Debbie Downer, but I just wanted to know for the affordable housing, the .4 cents, that would be something that was ongoing or that could be changed next year or this year.

[01:47:20] It doesn't have to be ongoing. It could be changed at any point in time by the board if things really went south economically for, and same thing with, well, schools isn't ongoing, right? Yeah. I'm just asking.

[01:47:36] Yeah, those are planned to be one-to-one dedications. I would say that depending on how much of an economic impact it is, the board always has the right, whether the economy is healthy or going through challenging times, to reposition that should they see fit.

[01:47:54] Thank you. may i just leave one extra thought for people to think about going forward i mentioned it last meeting as well i would support moving the other point four into the affordable housing side we can get to four on that as a way to the school's portion um so think about it we'll talk about it some other time well we have a number of different things that are both proposed and get to be proposed for for straw votes i wouldn't say that any vote taken today is anything

[01:48:25] but we've been at this for a while so we can either take some of those now or take a break uh i would suggest uh given how far we are at the meeting the next two items are really touching base on human services priorities then any other adjustments any other adjustments may be the right time to

bring back any straw votes or anything else the board may i don't want to cut off more discussion but that may be time just given that we're about an hour and a few minutes into those

[01:48:56] work session.

[01:49:59] Before we come back to these issues and other issues related to the budget, the next presentation is on the Human Services Funding Program and I'll turn it back to both members for summer. Thank you.

[01:50:15] I'll be giving a presentation on this part of the work session. This is to bring back some information under request from a board member that we've talked previously in work session number two around the Human Services Funding Process. This is a process that has 25 programs that are funded at a total of \$1.6 million.

[01:50:35] This was formerly called the Agency Budget Review Team Process. The Board renamed that process to give it a more easy-to-understand, transparent name with the Human Services Funding Service Program. So this process has been really under a lot of revision over the last two years, endorsed by the Board of Supervisors the past two Julys.

[01:50:57] Really this came out of a report two years ago for the Human Services Needs Assessment and really trying to -- really the takeaway of all of these changes is trying to reallocate funding to what are those programs that will greatest do the most greatest contribution to the board strategic plan around addressing human services priorities. The four biggest emerging needs areas of family homelessness mental health community safety and navigation for seniors was identified two years ago and also what's been in the works over the last two years is really breaking away from some of the traditional funding amounts that year to year were

[01:51:33] more incremental it was challenging for new programs to get in there was a rules around the programs in terms of the amount of new funding they could have other programs change every year so this was really a change this year of really a reprioritization as funding was increased and so what was in addition to the usual evaluation of programs by the either staff or community volunteers we put through a prioritization really which pushed agencies into one of four tiers and i'll break those out in this moment and they're really funding those accordingly so another slide the board has seen before where those programs in tier one received the greatest

[01:52:12] funding over tier two then followed by tier three and so on so a new slide that the board has seen before uh or not has not seen before this really breaks out those four tiers with the description on there where tier one is really about those most direct services and the most vulnerable basic needs and vulnerable populations there was a total of 1.5 million requested and 1.9 or sorry 1.09 is recommended the next tier of important critical services there was 1.2 million requested and a recommendation of a little over half a million tiers three and four had smaller requests and

[01:52:50] no fund in there overall the funding for this program was an increase of 360 000 or 29 percent this was really foreshadowed based on some board direction about two years ago where funding has increased truly about a total of 460,000 over the last two years so this is really as we talked about in our a lot of aligning our strategic plan in the budget one of those programs that as we are adding new resources those will drive the outcomes most related to the board strategic plan so that is the rationale of where they

are and I'll be happy to answer any more questions and discussions in case any amendments are desired to the human services funding

[01:53:28] the process recommendations thank you no questions but I do it seems to be like you're no longer considering the 50% the funding request you're you're going to different tiers and different levels and you're looking at the quality yes quality of the program and the prioritization within those four tiers and yes in any kind of past funding rules of thumb of incremental changes or across what those

[01:54:02] have been removed really giving to those that have or strong thank you so is this what back when I asked for the CIP thing I was talking about the emergency assistant funds specifically that funding is this what was pulled together no there is in addition to this funding there's about two hundred sixty thousand dollars in the Department of Social Services budget that provides

[01:54:41] that support through the Department of Social Services for the ACERP program is there any further information coming on that program specifically we had some follow-ups in the Q&A about the funding that was distributed some of the criteria the information on that was part of board of supervisors Q&A number 4 that I believe was sent on March 25th.

[01:55:17] At 3.09 p.m. Sorry, I didn't quite memorize it to that level. We were really impressed. I obviously missed that, so tell me the date again.

[01:55:37] March 25th was the date I believe we set that up. Number 4. Yes. You can move on. I may have a follow-up. This is not That's something I've had – I appreciate that a lot of changes have gone on in this.

[01:55:57] This is something I know the board has concerns about. And also, of course, the affected individual agencies is not quite the right word – the individual nonprofits that are recipients. So I haven't asked very many particularized questions on this yet, but if we're going to set aside the time for it, I will say, have there been any major shifts?

[01:56:23] So I'm thinking, like, for example, OAR – we gave OAR a tremendous amount of money previous process, like comparatively, they were a very large recipient of support, if I'm remembering. And I imagine that they very much count on that.

[01:56:39] Has this shift with any of our large-dollar recipients, has it resulted in a significant change in how much is dispersed to them? I think your use of the word significant is the thing that's challenging.

[01:56:55] Sure. lot of non-profits the amount is significant for them in symbolically even if it's not a big number and so if it was a small number that got smaller that actual dollar amount might not be much but this percentage might be large this shift towards focusing on vulnerable populations and safety net programming certainly reordered a number of the non-profits So OAR continues to get a substantial amount of money because we have five programs in the pool, three of which are sort of compete

[01:57:35] with the rest of nonprofits, and two of them are considered contractual because they are programs that we would otherwise have to provide if they didn't occupy them. Does this 1.6 capture contractual things? My understanding is that it does, right?

[01:57:50] Like the center of Belvedere. So the largest agencies, such as the health department, Java, Region 10, those would be in addition to that \$1.6 million. Can you help me, because this is sometimes, I know this came up a lot when we talked about our previous process.

[01:58:06] What the actual decision point, who the decision maker is. Because I assume it is professional staff in your office that is actually making the final dollar amount. But there was, I think previously, the understanding that the grading board in some way was also making a decision on the funding amount.

[01:58:27] which I understand is not correct then, certainly isn't correct now. Could you just speak to that very briefly? Yes, so the applications that come through the pool, those that have a history of having an exemplary score were allowed this year to have a slightly abbreviated application and were reviewed by Albemarle County staff, a combination of staff from several different units.

[01:58:51] Those who were in the traditional pool were reviewed by a combination of volunteers and staff. and then we both of those panels staff only staff and volunteer combo have the same set of responsibilities and criteria for scoring they score and tier and then send them send those applications to the budget office for allocation final question again as much for posterity as for answering my my inquiry previously we were trying to align the funding process

[01:59:30] along an idea of four focal areas, and we kind of didn't quite do that, funded a bit in one, we didn't use it, got carried over for another thing. My understanding is that those four focal areas are, and I don't mean this to sound pejorative, are gone, and we're instead using this tiered approach, which in some way carries over that thinking, but the specific focal areas are not being carried through. Am I mischaracterizing that? You made a...

[01:59:58] unclear okay i'll reflect back to you and then you decide um we used uh we gave additional points to application so there was a scoring based on completion and effectiveness of the application and then there were prioritization points awarded if you if the agency provided a safety net service a basic needs housing shelter food and or served a particularly vulnerable population seniors uh households with kids under five uh sexual assault domestic violence survivors

[02:00:35] and um people with disabilities um and then an additional prioritization point if it if there was a service provided in one of the four focal areas identified in the human services needs assessment that's a dimension i missed thank you and then an additional one if the service they provided was an immediate service a direct service versus a preventive service don't have questions thank you thank you have any real questions other than to just thank you all for this work and I

[02:01:13] really like the targeted look at the groups the vulnerable groups in our community and many of them have lost their safety already this is really good appreciate it and without thank you thank you thank you thank you so could you provide i mean i did ask this question a while ago so i'm sorry to do it now um what is the process when an agency goes from 700 to 115 does what is the process of evaluating what they're planning to do with the money that you all go along because sorry i never got an answer when i asked this question for four

[02:01:52] weeks ago so can you help me understand now um i always when i'm looking at excel sheets or whatever the first thing i always do is look for big changes and when i see big changes then i go oh let's find out what that is and to find out that there's 990s don't have the information that shows leadership and organization and things like that um it makes me nervous so i would like to know in general what process you use for that kind of situation so the um both the volunteer and the staff will review the applications for completion and then for uh effectiveness essentially do you

[02:02:32] have you described have you answered the questions the way we think you should answer the question have you met the outcomes that you have said that you meet are those outcomes uh meaningful for the subject that you're trying to or the issue or concern you're trying to address We ask some threshold questions in the application that make you eligible, like have you had an audit, and I can't remember how frequently the audits are required, and of course if you're registered with VDACS, which requires that you have filed a 990, that you have a volunteer board, that you submit an annual report to the state corporation commission.

[02:03:10] We do not, frankly, have the staff to review every one of those documents. Or a set of listed criteria for what we would consider a good response on any one of those documents at this point in our process.

[02:03:26] So we either, we say, have you filed the 990? They check the box. Then we say you file the 990 and you're in good standing with Virginia Department of Agriculture and Consumer Services. But we do not do additional error.

[02:03:43] So they're not required to supply the audit and the 990 to you. I mean, if you don't have a lot of staff, then that would be the thing, to put the burden on the applicant to do that. Yes, they do provide those, and they are reviewed. So then they should be in the file. And so what I'm hearing, two different answers, yes, maybe, and no.

[02:04:00] We have them, but we do not review them with any specific set of criteria. Yes, if I may clarify, the volunteer team, who's primarily human experts, does not review the audit. Thank you. That information is provided to the Department of Finance and Budget. We will do a review of the audit to make sure there are no red flags, it's complete and that's all good.

[02:04:19] So I think it's really leveraging the two sets of expertise together. Well, I think there's a lot. I mean, I appreciate the reason that you don't have the more lengthy stuff now, but having background, it's always a catch-22.

[02:04:38] Do you provide enough background to have people like me understand what's going on, or do you have a simpler process that just shows this? And this leaves me with a whole lot of questions that I don't have answers for, and I'm sorry about that, but that's, you know, every all this money is real money here so I'm trying to understand whether people what I don't want to do is have us just throw money at things to get ourselves feeling good when there isn't a really good delivery of services verified trust and verify you know that's right so sorry to be a bitch about this but I am really concerned that this is happening I will share that one

[02:05:17] example was somebody who identified outcomes that were let's say a hundred and then they achieved them at 95 they got a lower score because they failed to meet their objectives and so they actually were in a different tier because of that and so and they responded by saying but we've done the same kind of program all along and we said but you haven't met your objectives and so there are some real consequences to failure to meet their objectives they're baked into the process and and this is a concern that's been raised in in the past and mr bowman and i shared last year that starting this year a third of the applications we get a

[02:05:55] slightly deeper review along that process so that we can we can answer some of those questions one layer deeper in future years and so we have heard the request for a deeper dive around

organizational health and it is baked into our assumed ongoing series of changes around this one I think one of the benefits which isn't there now is having a longevity meant that there was more than just oh let's start this now and get funding now i mean if people had to be in business for three

[02:06:31] years and do things they had a record um so that was also reassuring for the funders to know what was what was going on i mean everybody on this list for sure is doing good stuff there's no question about that i'm just trying to understand um budget development there is effort throughout the year to track these agencies so if there are changes example not recommended last year were approved but are not going to have funding distributed with the local food hub and mecca as their organizational situations change that is something we track throughout the year to make sure the money is not going out the door so that is one that we are not able to be everywhere all

[02:07:08] time for these you know 25 plus agencies but there are times where we do have i don't want to call them successes because it's obviously not a good thing when someone who's providing services no longer exists, but at least to protect the county's stewardship to ensure that funding does not go out the door if the service is not going to be provided.

[02:07:29] Change can be hard. I'm sure it's been difficult for some of the people who have been in the program in the past and how the differences, but I appreciate the changes that you've made. I really appreciate the idea that you're going to be doing and continue to keep your review for each year.

[02:07:52] Very awesome. We'll be further. Alright, with that, that brings the final topic for today's agenda, which is really just the identification of any remaining board adjustments to the budget. Really I say this as the board has noted before on May 7th is when the board will approve the budget, but I think a lot of this is our role as staff to support the board supervisors as they make these new decisions. Any additional information that we need to bring forward with the different scenarios, alternatives, changes in funding, changes in how tax rates are allocated, changes in use of one-time

[02:08:31] funding and really anything out there the board consider I put on the slide the same slide the board saw back on March 19th really these are called the most straightforward summary of options the board does have an ongoing and one-time reserve contingencies if adjustments were desired beyond just reprioritizing any use of ongoing or one-time funding and then the CIP adjustments we've discussed before there is that 1.9 million available from the CIP advances You should probably reserve board is not required to allocate that but those are options out there Should the board desire to do something different. So because this is the final work session

[02:09:09] I don't really don't have any more content other than just prepare for next steps There's certainly if the board would have additional questions or a discussion on either the public hearings on April 23rd and 30th those would be options as would be the sense we're really the intent of this slide is for to ensure that staff is able to do our best to provide the support the board they need and make those decisions on may 7th and we can plan accordingly thank you board we do have two public hearings prior to the actual adoption of the budget but um it is uh coming upon us quickly

[02:09:45] enough that there's been some discussion about having uh actual votes today if board members want to make proposals to differ from the proposed budget at this point which would be the budget based on the previous - when we set our maximum tax rate and accepted the proposed budget at that time as a proposal. So we will go through an order to see if there are - and we can go more than once if there are specific proposals that we're going to move on. Supervisor McEaston-Kirk?

[02:10:23] No, I'm actually - I got points for clarification that were clarified, so I thank you very much. But I'm satisfied with what it is offered from staff.

[02:10:39] Thank you. Supervisor Gallin. Yeah, if I could just to loop back, I read that emergency assistant. What's the current dollar amount recommended for the Congress? \$260,000, the same as prior fiscal year.

[02:10:56] And before we go further, may I make the clarification that while we go take votes today, we do have the two public hearings and none of this is actually finalized until next. May I go back? Because I do have another public hearing, my last one coming up, and I will say on the first public hearing. Not public hearing, but budget. Budget work session.

[02:11:26] Oh, a board session. Open those. Open the community meeting. Excuse me. The community meeting. All right so the community town hall meeting regarding the budget So I've only had one but the one that I haven't gotten a lot of pushback frankly people seem to understand that they really appreciate the 3.2 cents going for public safety I think I'd have more people wanting to see more of

[02:12:04] of the more money going to schools, that's what I've heard from my constituents, than I haven't heard as many from the affordable housing folks. But I do get a lot of emails and calls from people wanting more from the schools.

[02:12:22] But having said that, I'm pretty much satisfied knowing we can change things next year. There's nothing that's always ongoing, but I'm pretty much satisfied with what we have done. You know, let me ask these couple questions before I make my suggestion.

[02:12:42] The, what's missing up there, just remind us of the amount that's in the 2% budget reserve stabilization reserve. That would be between \$10 and \$11 million. And typically, with some of the concerns I've heard about dollars not coming down from the federal government, that's the first reserve we go to.

[02:13:03] Could be, yes. Would we be ultimately going to these only if other reserves fail? I think in terms of order operations I would probably look at the reserve contingencies first but yeah certainly as we kind of go through some of the easy unallocated that 2% reserve would be down a little bit down the list there certainly before we get to the 10% reserve is between 10 and 11 million and you said the total in there that we pulled out from the feds is about 13 million for the county government general fund that number is around 8 to

[02:13:40] 9 million I believe the schools have about 13 million kind of slide from a previous work session I can give me one moment here 13 schools I have 13 in my head I just confused the size yes yeah so we have in the general fund 9 million really that reimbursements for the Department of Social Services in the county government special revenue funds there is a little over 6 million which

[02:14:18] primarily the housing choice voucher program uh public schools have around uh 13 million and so uh the total of those doing my quick math would be about uh 28 million total in the total reserve in the budget the schools have got a couple million uh the school's remaining fund balance is about 1.3 million because the rest of it's been programmed correct all right my suggestion here just given us the history and knowing what could be coming um i mentioned it earlier that my

[02:14:57] thought was 1.2 of this could be used for the cip or 1.2 of the board strategic reserve could be used to offset the debt service for the cip piece but it doesn't sound like we're going to go that route just yet

but that's an option that might be explored down the road so i would certainly be i would i'd be willing to move that 1.2 million to our housing fund leave the 700 000 in there it looks like the emergency assistance fund has got less coming in for requests this fiscal year

[02:15:37] than what was tracking last year yes artificially the number of requests is the same the amount of money distributed is lower we set our our annual cap at 2500 when we first started the money went really super fast we decreased it to between 800 and a thousand so we're trying to find the sweet spot that allows us to respond to somebody's need without and then still have money last throughout the year so and in the current fiscal year you with the exception of the sewer the subject to sewer monies that we reallocated to the emergency assistance fund did you have to pull monies from

[02:16:16] any other reserves no the year last year we had both arpa funds and redistributed arpa funds this year we have the redistributed septic sewer funds and nothing else has been reallocated except that perhaps 300 grand i think it was 260 plus 70 000 directly to the emergency fund and up to 100 for security deposit assistance so i'd be prepared to make a motion to reallocate 1.2 million from the board strategic priorities reserved to the housing investment fund i have a second motion from Supervisor Galloway, second for Supervisor Mount.

[02:16:57] Let me just clarify one thing. I think the board understands this, but at one point, the 1.9, then it was one-time funding. So to get it in the housing fund would be really for a one-time use. Debt service would be an ongoing expense. And if we wanted to replenish the reserve, we'd have to do that next year with one-time funding.

[02:17:14] Yes. Understood. So I felt the board understood that, but I just wanted to clarify that. Thank you. Would that be for the housing voucher program or to put into that housing trust? So we have 1.2 coming from the .4 cents dedicated, and then we had roughly 3 million coming from one-time monies.

[02:17:36] So that's 4.2. This would move it up to 5.4 and put that 1.2 in there. It's still, in my mind, we then wanted to maybe explore the CIP or the debt service. The money's parked in there for that. But if other pressing needs or other things that we wanted to use it for come up, then it's sitting there for it.

[02:17:55] I'd rather just go into the year knowing that those extra dollars are there waiting. Really, the rationale is, okay, let's not let the 4 – we know the 4.2 is going to get depleted quickly. And then we'd have to do a quick maneuver somewhere on a board agenda to move monies or if we wanted to move from the strategic reserve then and then.

[02:18:14] Let's just put it in there now, and we know we're going to need the need. And I'd hate to see it sit there another year with knowing what we could use it for. But it seems to me like the housing voucher program, we're running out of money for that.

[02:18:29] The housing voucher program is not an Albemarle County program. It's a federal program that we administer and disperse the funding. We can plus up our own local voucher, but that's very expensive. Any other comments, discussion?

[02:18:46] I'm supportive of the motion as it buys. I want to say that on this. I do want to just highlight what I heard Kaki say and what I know we discussed before, which is that the demand on Acer is in some ways being like control is throttled, right?

[02:19:08] Tacky's strategy and her team's approach to this is to always have some amount of money available, right? It's better to serve people a little bit throughout the year than to meet the need in front of you for two months and run out. I would be more comfortable with this if we carved off a bit of the money that we're comfortable moving with.

[02:19:32] Not a majority of it, not even a significant chunk, but I might, if I had the opportunity to make the first motion, I might have said 1, 2, AHIF, and 0.2. We can entertain an amendment to the motion if the person who made the motion is...

[02:19:50] Can the dollars be used that way from the housing fund? Does it happen? Emergency relief? Does the category matter? I think for the mechanics if the board were to remove any of the 1.9 We would send a portion to the general fund for a sir, and then we would send a remainder into the housing funds Just for the public tell them what a service. All right, it's the Alburo County emergency Relief program. Thank you. Thank you for the public. Yeah, that's not vouchers Tell me the amount again, so

[02:20:24] 100,000 into Acer, which would near double it, but not quite. That would be 460 for Acer, and 1 million into AHIF. A question. Kaki, could you address that? How much would that do for that program, the Acer program, now that I've gotten my terms correct?

[02:20:46] It would be substantial. It would mean most of the folks, so our requirement is that you come, Your basic eligibility is that you have a shutoff notice for a utility or an eviction notice. So we are the last money, the last opportunity to stay in your housing as is generally.

[02:21:08] And most people are asking for between need in order to pay that last month's rent or whatever it is, between \$1,800 and \$2,200 a month. And if our restriction is \$800 or \$1,000 that you can only get from our fund, they must find that additional source somewhere else.

[02:21:29] That is sometimes a burden that is too great. And so increasing the amount that could be distributed might serve additional folks and also might allow additional people to avoid the eviction. And we're not talking, we're talking about maybe a one-shot deal.

[02:21:47] We're not talking about paying everybody's, you know, one time. And how quickly does that run, the money run out? Let's say if you weren't going to, because you said you kept the money for on throughout the year. But I mean, let's say if you weren't going to keep it throughout the year, how quickly would that money run out?

[02:22:05] I don't know that we have a normal stream because, again, we're tightening and loosening the boundaries of what we distribute based on the amount that we've had. And so while in the last two years we've been funded in the budget with \$260,000, we have gotten additional money from other sources both years.

[02:22:27] And so that allows us to open the faucet a little bit more and then close it as we get to the end of the year. So I don't know that I can tell you what a normal year or pace would look like. And last question, are those other sources federal or state?

[02:22:44] Usually private. Private. Okay. I think we should actually increase that number because that helps people in our county with what could possibly be happening. That helps people now. That helps them get through the year because we don't know what's going to happen. I would approve an increase over what you suggested.

[02:23:08] Mr. Chair, we have a motion to not allocate any monies to a CERP, but just simply allocates 1.2 to the HIP. So I would be willing to withdraw my motion and allow Mr. Pruitt to proceed with this.

[02:23:26] That's exactly what we need. Thank you. I don't think we have. I would like to move that we reallocate \$1.2 million from the Strategic Priorities Reserve, allocate \$1 million to AHIF, the Albemarle Housing Investment Fund, and allocate \$200,000 to ACERP, the Albemarle County Emergency Relief Program.

[02:23:56] Do we have a motion? I would like to make a motion. We haven't got a second. Okay, so a motion from Supervisor Pro and a second from Supervisor Malek. Is there any additional discussion? Did you want to increase the vote?

[02:24:13] Yes, I would like to make a... Which I would raise to you. After this vote, you can then do the same thing because there's still money in the strategic priorities reserve. There's the question of how much comfort do we have. What part about the 1.2? So there's 1.9 in it currently.

[02:24:30] 1.9. You're saying 1. Three people here, myself and Ned, have all talked openly about a comfort moving 1.2 of that and the debate we just had was how we're carving up that 1.2 currently is 1 million to affordable housing to 100k to emergency relief program we could actually do less than that but I know we have okay if there are no further discussions I'll ask the clerk to call Ms. Malik yes Ms. McKeel yes Mr. Pruitt aye Mr. Andrews yes Mr. Galloway yes

[02:25:10] Ms. Lapisto-Kirtley. Aye. Okay. Mr. Galloway, Supervisor Galloway, you are still on. If you have additional options you would like to make. Those are the two that I'm conducting.

[02:25:27] Those are the two topics I wanted to address today. Okay. Supervisor approved. I have raised this to this board before, but if today is the day we're committing things to votes, I don't think I have the no's, but I'm going to say it because that makes sense to me.

[02:25:50] sense to me. We are allocating an additional \$1 million to the Economic Development Fund. I believe in the work that the Economic Development Fund is doing. And I also recognize we have never spent anywhere near \$3 million in a single calendar, nor have I heard a compelling argument that we're going to spend \$3 million in a calendar year. \$3 million is the amount that we have in there already, not adding any additional funds. I would allocate that \$1 million that we are saying that we would allocate to the Economic Development Fund an additional funding, bringing it to \$4 million.

[02:26:25] I would recommend that be allocated to AHIF, where there is definitely – it is actually going to be spent in the calendar year. Is that a motion? I will say it as a motion.

[02:26:40] I recommend – I move that we allocate the \$1 million in new allocations to the Economic Development Fund into AHIF. Is there a second? I'd like to respond just to the rationale here, because I want to remind, I think we're getting to two critical points in economic development in our county.

[02:27:08] One, we are approaching some things, and we're seeing how the state monies are shaking out for our huge investment we've made out north. We got a \$700,000 grant that we had sent out. That was the first of a couple things that were going.

[02:27:24] Some of the other work, depending on what comes from the state, that money could be needed to have to advance that forward. The second piece that I might suggest, given some conversations with

some developers who have not done business in our county before, is economic development can be a mechanism by which to do affordable housing projects.

[02:27:44] So I think while the logic behind your thinking is something I can be supportive of, I think we have the flexibility throughout a given year that if an economic development project came forward in this county that also dealt with affordable housing, we've got the dollars there to do it.

[02:28:01] We've never really done that before. I mean, we've used the EDA for Southwood, but it wasn't really something that was an economic development project per se. So that might be a little political dancing that you like to call out, Supervisor Pruitt.

[02:28:16] But knowing how the budget can work in a year, if we wanted, if the monies that are in our housing fund go away, we could move monies out of another fund if we wanted to at some point. We're allowed to do that. But I, for one, given especially our housing summit this year with some of the things that other jurisdictions are going through their economic development authorities, I think could be advantageous to us for housing as well.

[02:28:45] It doesn't hurt getting that number churched up in the housing fund, though. And I would agree, Nan, on just keeping that money where it is because we need that flexibility because you don't know what's going to be coming to you, and that is a way we're diversifying our tax base.

[02:29:02] So it's critical. I concur. I definitely believe the ADA, what's happening now and what we're doing and what we're looking at, those monies are going to be needed. but i i do agree with uh there's uh affordable housing opportunities to also involve the eda fails for lack of a second do you have any other i will just say as a i would like the privilege of a closing round on my own um which is the thing i i feel in this moment and that i would also

[02:29:39] reflect the board for all things i think we do not give ourselves enough credit for how agile we can be if it is necessitating and while i do appreciate that there's a possibility of very large demands put on the eda in the near future based on the major projects we're engaging in i might suggest that if it is greater than three million we have the ability that we talk we spent quite a lot we spent an hour and a half uh uh earlier in this session talking about how we actually have a lot more agility in our budget than we like to give ourselves credit for sometimes

[02:30:14] And I would suggest that we always keep that kind of agility in mind when we're talking about plussing up these kinds of funds, but, uh, no, the previous motion, uh, two before, frankly, is satisfied. I think a lot of these two things are the only things I thought there's any play in this motion.

[02:30:36] Supervisor McKeown? You're asking me if I have any other changes? No. If you have any motions you'd like to make. No, I'm fine. Thank you. Supervisor Malik? I will, since we're doing straw votes, I will reiterate earlier to move the 0.4 for schools to the housing.

[02:30:56] A motion to move the 0.4 for schools in the four cents to housing. Is there a second? Fails for lack of a second.

[02:31:15] Supervisor Lupisto-Curley, you had another? Yes, I'm going to go back to Supervisor Pruitt's motion, but asked to increase instead of \$1 million for the AHIF, right? And then \$0.2 for the ACERP to actually put \$800,000 into the AHIF and then the \$400,000 into ACERP.

[02:31:50] I would like to see that help a lot of people during the year. And the reason why I say that, it's a personal story. When I was campaigning the last time, I went up to a house, and a woman with her son, two kids, they were going to be evicted.

[02:32:07] She had gone to every place, every place, every place. And she was on the verge of being, she was evicted, actually, because she had tried everything. And the thought of us not being able to help someone like that, when they were going to be evicted, she needed help just one time.

[02:32:27] That didn't, that kind of, that story stuck with me, frankly. That's why I'm with CACI and helping as many people as we can, frankly, with their immediate needs. This is actually a motion to amend the previous motion.

[02:32:44] Yes. That was already adopted. But first, we need a second. If I may speak to the motion that is on the floor. Sure. I don't know.

[02:33:03] That's why I asked. I think \$1,000,000 in annual funding for ACERP is not unrealistic or unfeasible, which is what this would bring you to. This would bring us to \$1,060,000 in annual funding, or in funding for this year, right?

[02:33:25] You said 800. I said 800 for... Oh, for AHIP. Oh, I misheard. AHIP. Oh. She's just adding a little too much. I misheard. Sorry. There's a lot of acronyms thrown around. Actually, but never mind. I'm going to step back from that. I'm going to actually step back from that. Second.

[02:33:48] So we have a motion. Let me understand the motion as to, instead of what we previously did, take the \$1.2 million from the CIP Advancing Strategic Priorities Reserve and dedicate \$800,000, not \$1 million, but \$800,000 to AHIP and \$400,000, not \$200,000, to ACERP, the Emergency Related Program.

[02:34:08] We have a motion and a second. This is countering your own motion. I know, I know. He's supportive of countering his own objection. Could I ask that question just to try to understand?

[02:34:26] This is basically saying that we think the money will do more good in an emergency relief program than in addressing the long-term affordable housing problem in the country.

[02:34:43] Yes, and if I may. I also want to hear. You want to hear from Mike? Can I close up? Okay. Let me talk first. Okay, I think this is important because we have, I think, too many people, and I'm looking at what's going to happen in the coming year, and I'm very frightful of what's going to happen in the coming year, but I think we have a lot of people that are really hurting, and I think we can't, frankly, help them, whereas another million in the housing trust fund, which is good also, but how long, I've seen the numbers that they use for building

[02:35:19] affordable housing. I mean, a million dollars is, you know, that's helpful, but it's certainly not going to give us what we want. And the amount of time that it takes, it takes, what, 18 months to get something, well, approved and built, maybe even longer than 18 months.

[02:35:35] So my thing is let's help people. It doesn't have to be ongoing, but let's help people in the short term that really need it. And then we can, from there, also think about long-term solutions which we're which we're doing that's my reason the thing i would raise is like everything we're talking about this whole process right is tinkering at the margins and i i will confess to this board when the previous motion passed i had a chill like i was shocked that we

[02:36:09] were able to accomplish that very excited so i don't in any way mean to say that i think this is a a minor ordering of preferences but the thing i would share is if we are looking at relatively small dollars in the term of our total Albemarle County budget, right? We're talking about where we're going to move to \$200,000 right now. That's what this is a discussion on.

[02:36:35] I think the marginal value of those individual dollars is probably more significant in ACERP where it can have an immediate life-altering outcome for a countable number of Albemarle.

[02:36:53] I don't know that many projects will live and die, that any projects would live and die on a difference of \$200,000 in our overall funding pool. If they do, then this would be a different conversation.

[02:37:10] But with this kind of – at this degree of marginalia, I think that marginal dollar might have a greater impact in ACER. But I welcome the wisdom of the – So if I did the math correctly, this hasn't been a great day for math for me, so I can't miss it. About 110 families with the extra money would be able to do the, get the average writ support for addiction prevention. So that's a significant improvement in the, for

[02:37:47] that. Is 1800 the number we should be using? Because she said that they were usually asking for that, but they were only getting 800 to I think it's somewhere between \$1,000 and \$2,500, and I don't know that we found the sweet spot in \$1,800.

[02:38:03] Oh, I thought you didn't have that sweet spot. Just remind me, I just asked this question like 20 minutes ago. Where do you go first when your money runs out? You came back to us and we didn't have a septic to sewer program, and you go to the county executive and say we need, we've got six months left and we're out of money.

[02:38:30] Where do we go? We go to the one-time amount reserved for contingency. So I think the first thing I would do before we even look at those contingencies is just say in our usual budget management, is there anything one-time unusual that's changed we can do something with, whether it be a revenue or an expenditure, just something that we do this all the time of something unexpected happens in the department and just through our normal budget management, we can address that.

[02:38:57] And they tend to be relatively small. So after that's done, and I think we would look at the reserve contingencies next to say would that be an option? We look at the other demands out there because that is that the right tool and we would need to bring that to the board We haven't been at a point where mid-year we fully depleted that But if we were in that situation or we knew we need to hold that for obligations, whatever this may be we would then probably Unless we're gonna be making any other Before you've gotten to any really significant service impacts. We really didn't really need to look at that 2% I think it's kind of a question of how impactful that is because if we were in the middle of a I'll call a pandemic recession where we're falling

[02:39:36] Very deep very fast that may be a different response than if it's just maybe a one more one-time acute thing We need to resolve but that would be really probably a total conversation but certainly if there was a need to address more if the Department of Social Services came to us that that would be a conversation we would have with them in working with the executive's office how to address that it's more of a longer thought process but that's just trying to give a kind of a hypothetical how that would play out with our team I think we can meet the need I'm gonna vote no against this motion I want to keep the million in the housing fund and add the two to the emergency assistance fund that's as Mike has said before doubles you up and then we'll watch it

[02:40:14] this year and see how what kind of changes it makes or different impact we can make knowing we have a contingency to go to I will say that a couple hundred thousand dollars unless my memory is wrong we have had some projects that come forward to us they're not getting us a ton of units but they tend that kind of money actually can help more for homeownership stuff where if a land trust comes and they have a opportunity that they maybe have two six eight units in a place where they can buy the land and getting a hundred or two hundred thousand dollars from the county in the path if I'm not mistaken we've done a project like this that helped bring seven or eight homes online and I thought it was

[02:40:53] only a couple hundred thousand dollars that we used but then it's permanent it's permanent home ownership and we have some really good developers and people in the community haven't you can turn two or three hundred thousand dollars into I mean lifetime permanent home sales so that to me I'd like to see us do more of and that I just every dollar at this point should go and from this strategic reserve should go to the housing uh i think we have a motion of second uh so i would

[02:41:29] ask the perfect callable has malik no miss mckee no mr pruit aye mr andrews yes mr galloway no Ms. LaPiesto, care aye. Motion fails, 3-3.

[02:41:49] Interesting idea. Let's not make any more motions where affordable housing is commuting against the emergency assistance. Yes. I was going to suggest that we have a commuting against the darn town. I did not do that. Do you want to say, again, I think this is an ordering of the good um that we are disagreeing over how to how we would order different very good

[02:42:21] alternatives I'm still very thrilled with the outcome. Anything else from us? I will uh yeah we will get to other business as soon as we determine whether or not just general discussion. I don't have any more motions but I have another comment relative to the budget. Oh okay it's relative to the budget. I am interested and I want to state it as part of this budget process that when we think that the street safety strategic plan I don't know what are we calling that the police fire staffing study the staffing

[02:42:58] study that we do I know that we have the idea of the county executive of carrying that 3.2 forward as a dedicated fund to be informed by that study I am definitely going to be looking to that study because if it comes back and we think we can maybe carry two cents or three cents or 2.5 cents that the portion that's remaining up to the 3.2 we shift that to dedicating it to affordable housing for the coming year I want that idea out there and just thrown out right now have staff be thinking about that when we come out question Christie are we still on target for getting that in the fall I was just

[02:43:37] trying absolutely so that will be this fall yes I mean September October that's right the well probably early fall um and because our intention is that we are able to have a forecast of intentions and be able to fold that into any budget discussion for next year. And see those 3.2 cents as public safety dollars and affordable housing. That's the I don't know what other umbrella to put under than public safety. And do you not have any you wanted to? Sure. Just to recap over the

[02:44:13] next week we'll have the final three town halls. Show them the slide. We'll have public hearings on the budget tax rate on April 20th and 30th and then all this will be brought back on May 7th. I think we'll clarify in the materials for May 7th that are posted online.

[02:44:29] Though it wasn't part of the board's proposed budget, the board's direction to reallocate that \$1.2 million based on the motion. So that's clear to the public. There's always, just with the timing and

materials, there's always the chance where what the board adopts will be a little different than what's published. And we make that very clear in our materials.

[02:44:45] We'll work that into what Mr. Davidson will timestamp and put it onto the website. With that, I have a... with that I'll ask I just wanted to make sure that I heard any correctly that we will have the actions that the board took today reflect in the town hall information yes Wednesday night and Thursday night for our town hall that's

[02:45:25] great so that doesn't affect all six board members some of you have already finished your town halls but we had said as we go through these seven town halls if there are things that are changed that we would reflect that and we'll have that ready to go for tomorrow night i'm sorry i can see the more nights wednesday night i apologize for wednesday night at our next town hall and i did not mean to interrupt the no but that's very very important information thank you okay no thank you for clarifying that i have nothing else thank you for all your time and direction thank you yeah i just wanted to make sure that and i'd like to ask staff to

[02:45:59] continue to let us know um now that we're putting more money in for affordable housing which is a good thing but keep us informed on the numbers of uh housing that are on i know some are in the pipeline how many are completed uh you know what are our total numbers how many rentals are we providing what are we paying for and what are we getting for that that's all then uh board are from the board matters not listed on the agenda so are there any other matters for today's meeting

[02:46:38] just one quick announcement april 18th friday at 10 a.m is the re-dedication of the deputy memorial and action any others i want the county executive yes sir without further ado i will announce that the meeting will be adjourned April 16th, 1:25, 1:00 p.m. a million auditorium. Opportunities for the public to access and participate in this meeting are posted on the Elphamontal Appendant website, on the Board of Supervisors homepage, and on the Elphamontal Appendant calendar.

[02:47:13] Participation will include the opportunity to comment on those matters for which comments from the public will be received. Thank you.



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