Mayor's Housing Commission

City of Norfolk
Meeting Minutes

Monday, August 18, 2025, at 9:00am
Slover Library, 6th Floor
235 East Plume Street, Norfolk VA 23510

The following Commission Members were present:

Councilman Carlos Clanton (Co-chair, Superward 7), Councilman Jeremy McGee (Co-chair, Superward 6), Deborah Stearns (Commercial Real Estate), Simon Scott (Norfolk Economic Development Authority), Fred Napolitano (Building Industry), Georgette Houchins (Non-Profit Housing Advocacy), Earl Fraley (Norfolk Redevelopment and Housing Authority Commissioner/former Planning Commissioner), Vilma Corbin (Banking), Richard Allan Bull (City Clerk), Bernard Pishko (City Attorney), Patrick Roberts (City Manager)

1. Call to Order & Welcome **9:00 a.m.**

Councilman Carlos Clanton opened the meeting and thanked everyone for attending. He expressed the importance of moving from good ideas to adopted policy. He emphasized the commission's charge: to ensure every Norfolk family can access safe, attainable housing in their chosen neighborhood. Councilman Clanton underscored that residents have made housing stability their top priority, and the city's response must be disciplined, measurable, and visible.

He outlined the retreat's "North Star"—the development of a comprehensive housing policy to present to council for adoption. This policy would be a public document, setting clear goals, defining targets, and detailing financing strategies for housing across the city. Councilman Clanton discussed developing an implementation plan, complete with timelines and an accountability dashboard. He asked for a clear definition of success by detailing three pillars for the day's work:

1. Developing a comprehensive housing policy, preserving naturally occurring affordable housing, establishing affordability metrics, and leveraging city dollars to connect the workforce to housing opportunities.
2. Building a policy framework that integrates data, land use and zoning, financing tools, preservation, anti-displacement measures, special populations, supportive housing, and community engagement.
3. Empowering working groups to identify early wins, surface barriers to council action, establish schedules, gather community feedback, and revise plans as needed.

He concluded his opening remarks by reminding participants that the work is not abstract but focused on the seniors, teachers, Norfolk's workforce, and the young family choosing whether to come to Norfolk.

Councilman Jeremy McGee echoed Councilman Clanton's appreciation, thanking staff and commission members for their dedication to serve. Councilman McGee further emphasized the critical importance of adhering to the foundational principles and objectives articulated in the enabling resolution, underscoring that focus on these core elements is essential to ensuring the long-term success and integrity of the commission's recommendations.

2. Overview of Retreat Schedule **9:10 a.m.**

Councilman Clanton reviewed the schedule: a deep dive into the housing study, presentations from HR&A Advisors, the Department of Housing and Community Development, CivicLab, NRHA, and the Planning Department/NFK2050. The morning would feature key data points, followed by a working lunch and a Q&A session.

3. Housing Study Deep Dive **9:15 a.m.**

Christiana Whitcomb, HR&A Advisors, Inc. (Virtual)

Christiana Whitcomb, Principal at HR&A Advisors, introduced herself and her firm, noting their longstanding partnership with Norfolk. She outlined three phases of their recent work: a comprehensive housing study update, a strategic plan, and technical assistance (including inclusionary zoning policy analysis and housing trust fund exploration).

Ms. Whitcomb identified three major barriers to addressing Norfolk's housing market and affordability challenges:

1. **Stagnant Growth:** Norfolk has not captured regional growth, undermining neighborhood vitality and real estate economics. From 2010 to 2020, the region grew by over 7%, but Norfolk's growth was stagnant.
2. **Concentrated Poverty:** Norfolk has a disproportionate share of the region's poverty, with 26% of households earning less than $35K, compared to 15% in Virginia Beach. This concentration affects access to housing, market dynamics, and the city's capacity to invest in affordable housing.
3. **Capacity and Funding:** Federal funding exists, but there is a lack of dedicated local or regional funding to build capacity among community partners and address needs with local control.

Ms. Whitcomb presented updated data: Norfolk faces a 12,000-home gap for households earning less than $35,000 annually. The shortage has begun to affect higher income brackets, reflecting a national trend of housing costs outpacing incomes.

She explained that housing investments are concentrated in a few neighborhoods, with most of the city not supporting investment in homes. Maps illustrated the concentration of single-family

and multifamily construction permits, as well as poverty heat maps showing the overlap between multifamily zoning and high-poverty areas.

Ms. Whitcomb highlighted Norfolk's diverse housing stock as an asset, noting the importance of preserving naturally occurring affordable housing—43,000 units without deed restrictions, making them vulnerable to rent increases and loss.

City Attorney Bernard Pishko sought clarification on deed restrictions, prompting Ms. Whitcomb to explain that deed-restricted units have legal affordability requirements, while unrestricted units are affordable due to market conditions but lack protections.

Councilman McGee probed whether the issue was primarily a housing or income problem. Ms. Whitcomb responded, "It's both," explaining that households earning less than $35,000 cannot afford market-rate units without subsidy, and the affordability gap is widening for middle-income households.

Councilman McGee also asked about the demographics of affected households. Ms. Whitcomb acknowledged data limitations but noted that both working low-income households and older households on fixed incomes are represented.

City Attorney Pishko raised the issue of concentrated poverty, comparing Norfolk and Virginia Beach. Ms. Whitcomb confirmed that poverty is more concentrated in Norfolk, supported by census tract data.

The commissioners reflected on the dual challenge of housing and poverty, advocating for strategies that address both. Ms. Whitcomb agreed, emphasizing the need to build regional capacity and help low-income households access housing in areas of opportunity.

City Attorney Pishko recounted the challenges of identifying areas of opportunity for redevelopment, asking if Norfolk now has such areas. Ms. Whitcomb and Planning Director Robert Tajan clarified that multifamily zoning is more widespread than maps suggest, including commercial corridors, though barriers remain due to property depth and developer preferences.

Ms. Whitcomb stressed that weak market economics hinder investment, making it costly for the city to subsidize affordable housing.

<u>Strategic Recommendations</u>

Ms. Whitcomb outlined five core housing strategies through 2028:

1. **Create New Affordable Rental and Homeownership Opportunities:** Continue investing in new homes.
2. **Preserve Existing Affordable Housing and Strengthen Neighborhoods:** Focus on preservation, repair programs, and extending affordability periods.
3. **Deconcentrate Poverty and Facilitate Mobility:** Promote housing choice and tenant mobility to areas of opportunity.

4. **Build Regional Capacity and Coordination:** Foster partnerships and potentially establish a strong regional housing nonprofit.
5. **Secure Dedicated, Ongoing, and Flexible Funding:** Establish a housing trust fund for local investments.

She emphasized the critical importance of funding, noting that each strategy depends on sustained, flexible resources.

Ms. Whitcomb presented findings from HR&A's inclusionary zoning analysis. She explained that requiring market-rate developers to include affordable units is largely infeasible in Norfolk due to market rents not being high enough to offset the costs. Incentives like density bonuses and regulatory tools offer limited help. She recommended continued negotiation for project-based vouchers in new developments as a more effective strategy.

Commissioners asked about the feasibility and impact of inclusionary zoning. Ms. Whitcomb reiterated that market conditions make such policies challenging in Norfolk, with top market rents below the threshold needed for successful programs.

4. Key Data Points Presentation **10:15 a.m.**

Dr. Susan Perry, Director of Housing and Community Development
Carl Larsen, CivicLab Manager

Dr. Susan Perry introduced Carl Larsen, manager of the City of Norfolk's CivicLab, to provide an analysis of housing data. Mr. Larsen offered a menu of data options for further analysis.

Key data points included:

- **Resident Survey (2024):** Satisfaction with affordable housing declined by 3.4% since 2022, with Ward 4 expressing the highest concern.
- **Median Rent and Home Prices:** Since 2017, median rent increased by 24%, and home prices by 58%, outpacing regional and state averages.
- **Active Home Listings:** Listings for sale dropped from 1,340 in 2017 to 370 in 2023, indicating a tightening market.
- **Housing Cost Burden:** Median rent as a percentage of income is 31.7%. Over 26,000 households spend 30% or more of income on rent; many are severely burdened, paying over 50%.
- **Homeowner Cost Burden:** Certain census tracts, such as Chesapeake Gardens and Berkeley, have high percentages of cost-burdened homeowners.
- **Occupational Affordability:** Many common jobs (e.g., cashiers, maintenance workers) do not pay enough to afford median rents.
- **Eviction Filings:** Norfolk ranks 11th in Virginia for eviction filing rate, with 18% of renter households affected.

Mr. Larsen's data reinforced earlier findings: affordability challenges are acute, especially for low-income households, and both renters and homeowners are affected.

The conversation shifted to the impact of affordable housing on neighborhoods. Dr. Perry reiterated that new affordable housing does not impact property values. In fact, it tends to spur new additional developments in the area. She acknowledged that derelict properties can harm neighborhoods but maintained that high-quality affordable housing is beneficial.

Commissioners discussed the need for mixed-income models and the importance of integrating affordable housing with market-rate units. Dr. Perry described programs like landlord incentives for relocated residents and down payment assistance for first-time homebuyers, noting that Norfolk's program is the most generous in the region.

Dr. Perry also highlighted targeted investments in neighborhoods on the cusp of reinvestment, such as Monticello Village, Oakdale Farms, and Ingleside, aiming to increase homeownership and property values.

City Manager Patrick Roberts noted that, as the commission looks at the resolution, commission work must ensure that the needs of Norfolk's current and aspiring residents are met—particularly working-class individuals and families who are vital to the city's economic and social fabric. The City and the commission have dedicated considerable effort to understanding Norfolk's housing inventory, the nuances of affordability, and the income spectrum of our residents. While addressing the housing supply gap remains a priority, it is equally important to be mindful of avoiding unintended patterns of poverty concentration.

City Manager Roberts urged the commission to consider the broader relationship between housing, city services, and education – reminding everyone again to keep the resolution's scope in mind.

Mr. Larsen presented a detailed analysis of mortgage application outcomes across Norfolk, drawing from Consumer Financial Protection Bureau data, highlighting geographic disparities and noting that those areas exhibited unique patterns in loan applications and denials.

Mr. Larsen explained that the chart shows the loan application outcomes by income for a principal residence purchase, emphasizing the breadth of the data, which included applications for refinance, home improvement, investment properties, and demographic breakdowns by race, income, and gender.

He pointed out that the highest number of applications came from households earning $50,000 to $75,000. In 2024, the median income for a household applying for a mortgage in Norfolk was $91,000, with a median loan amount of $305,000 and a median interest rate of 6.5%. This translated to an estimated monthly mortgage payment of $2,400—about 32% of the applicant's income, "just on the cusp of being considered burdened," Mr. Larsen noted.

Mr. Larsen also identified census tracts with higher denial rates between 2022 and 2024, including Calvert Square, Church Street, Brambleton, Young Park, and parts of Ocean View. He

supplemented this with heat maps from the Department of Neighborhood Services, showing concentrations of unsafe or derelict structures, and real estate assessor data on foreclosure property transfers, noting 57 foreclosures halfway through the year.

Vacant parcel auctions were discussed, with Mr. Larsen clarifying that not all parcels are developable due to factors like flood risk or non-conforming lot sizes. He also referenced the city's dashboard for registered short-term rentals (STRs), noting that STRs—registered and unregistered—make up less than 1% of total housing units, though concentrations are higher in Ocean View.

Mr. Larsen concluded his data review with population trends, updating the commission on Norfolk's population decrease from 242,803 in 2010 to 238,000 in 2020. He clarified that the decline was primarily in military group quarters, while the population living in housing units actually rose by 2.72%. Housing units themselves increased by 6.7%. He described ongoing efforts with the Weldon Cooper Center and the Navy to correct population estimates, noting, "Unfortunately, we can't get the census count corrected, but we can try to get the ACS and future populations corrected."

Commissioners asked for clarification from Mr. Larsen on the gap in population count, to which Mr. Larsen explained a federal data error in reporting Navy personnel, resulting in undercounts that were later corrected.

Mr. Larsen closed his presentation by inviting feedback on which, if any, additional data points or analysis would support this Commission's work to best track progress and measure success over time.

5. NRHA Financing Toolbox Presentation **11:15 a.m.**

Mr. Nathan Simms, NRHA Director

Nathan Simms, NRHA Director, provided the commission with an overview of the authority's financial and policy tools. He began by outlining Title 36, the statute authorizing redevelopment and housing authorities in Virginia, detailing NRHA's powers to acquire, lease, operate, rehabilitate, and dispose of housing projects, make loans and grants, and issue bonds.

Director Simms described NRHA as the largest housing authority in Virginia, owning over 4,165 units and administering 5,200 housing choice vouchers. "We're focused on thriving and sustainable communities for our residents," he affirmed.

He explained the voucher program's mechanics: tenants typically pay 30% of their income in rent and utilities, with HUD covering the remainder. "We serve a lot of people who are in the zero to 30 range, which means we're going to spend more in that category," Director Simms clarified, noting the financial constraints this creates.

Director Simms detailed eligibility requirements, including income thresholds, citizenship, and screening, and described the flat rent option for very low-income tenants. He emphasized the importance of housing quality standards and the requirement that 75% of new admissions be low-income.

The discussion turned to voucher types—tenant-based, project-based, homeownership, and special purpose vouchers for veterans, homeless individuals, and youth aging out of foster care. Director Simms explained the process for using vouchers toward homeownership, stressing the need for counseling, financial eligibility, and at least one year in the voucher program.

Commissioners probed the mechanics of transitioning from project-based to tenant-based vouchers and utilization rates for homeownership. Director Simms responded, "It's less than five percent, but I think it can be utilized more."

City Manager Patrick Roberts and City Attorney Bernard Pishko questioned the composition of the voucher waitlist and the impact of down payment assistance programs. Director Simms confirmed that Norfolk residents are prioritized, though open waitlists attract applicants from outside the city.

Director Simms acknowledged that not everyone is going to aspire to be a homeowner, advocating for flexibility in housing options. He described NRHA's counseling services as both pre- and post-purchase, available to anyone needing support.

The conversation shifted to technical aspects of down payment assistance, mortgage insurance, and the mechanics of combining voucher payments with household income. Director Simms confirmed that recipients are still paying 30% of their income towards their mortgage payment, the same concept as in rent.

Commissioners raised concerns about property inspections for voucher recipients transitioning to homeownership. Director Simms agreed to follow up on inspection requirements, underscoring the importance of maintaining housing quality.

Director Simms continued with an overview of Federal and State Housing Programs: CNI, Section 18, Section 32, RAD, and Faircloth:

- **Choice Neighborhood Initiative (CNI):** Used for redevelopment of distressed public housing, supporting demolition, rehabilitation, new construction, and supportive services. Director Simms explained the replacement requirements for demolished units and the challenges of off-site replacement in low-poverty areas.
- **Section 18:** Allows for demolition or disposition of public housing units with HUD approval, unlocking tenant protection vouchers and enabling land sale proceeds to support redevelopment.
- **Section 32:** Permits the sale of public housing units to income-eligible first-time buyers, with proceeds reinvested in affordable housing.

- **RAD (Rental Assistance Demonstration):** Converts public housing to project-based Section 8, enabling access to private debt, tax credits, and more stable funding for renovation and new construction.

Director Simms described the use of tax credits, bonds, and PILOT agreements to finance affordable housing, emphasizing the need for creative public-private partnerships and leveraging federal, state, and local grants. He highlighted the importance of capital funds, noting that Norfolk gets about $10 million annually, but will decline as Norfolk takes larger public housing communities offline. Director Simms introduced the concept of expanded PILOT use for acquiring market-rate units and maintaining affordability, describing it as a good public benefit.

He discussed the upcoming "boot to work authority," a set of flexibilities for housing authorities to create local programs and encourage regional collaboration. Director Simms stressed the need to layer all different elements, aiming to transform the city's housing portfolio.

Faircloth Authority, now "Rebuild Restore," was explained as a shallow subsidy tool to supplement rent payments and facilitate transitions from public housing to homeownership.

Director Simms concluded that it is desirable to allow a line sequencing of financing, development, and tenant support, working with our counterparts to ensure compliance, replacing housing, creating rental and homeownership options, and transforming our city.

6. Working Lunch Presentation – NFK2050 Housing **12:00 p.m.**

Mr. Robert Tajan, Director of Planning
Mr. Chris Whitney, Chief Planner and NFK2050 Coordinator

Planning Director Robert Tajan provided an overview of key components within the NFK2050 comprehensive plan, highlighting its long-term vision for housing in the city. He clarified that NFK2050 is not intended to serve as a strategic plan, but rather as a framework from which specific initiatives can be identified and pursued. He noted that implementation efforts are expected to unfold across short-, medium-, and long-term timeframes.

Director Tajan described the NFK2050 plan's framework, including an existing condition report and community engagement summary. He noted the shift from a parcel-specific to a more general future land use map, aiming for flexibility and clarity.

The NFK2050 plan's four pillars—celebrating community, growing equitably, embracing nature, and connecting the city—were outlined. Housing policies are integrated across these pillars rather than isolated in a single chapter.

Director Tajan emphasized the goal of supporting complete and healthy neighborhoods, advocating for mixed-use development, streamlined regulations, and investment in community-building programs. He described efforts to incentivize landowners to develop underutilized or vacant properties, addressing the issue of absentee landlords and vacant homes.

He discussed the need to expand affordable housing across the income spectrum, preserve existing affordable housing, and build regional capacity. Director Tajan highlighted the city's disproportionate share of subsidized housing and the importance of secure, sustainable funding, such as a housing trust fund.

Fostering community partnerships was identified as key, with Director Tajan noting the need to build capacity in community housing development organizations and community development corporations.

He advocated for "gentle density" and missing middle housing, explaining regulatory barriers that drive up costs for multi-unit developments. Aligning housing with transportation and resilience principles was stressed, as was the need to address homelessness and special needs populations in compliance with state code.

Barriers include state stormwater requirements and building code changes for multi-unit housing, and the regional burden of subsidized housing was noted. Plans include fostering partnerships, supporting special populations, and aligning housing with transportation/resilience. Clarifications were requested on the definition of affordable housing and targets. There was discussion on balancing density, affordability, and neighborhood character.

Director Tajan outlined the next steps for the NFK2050 comprehensive plan, aiming for Planning Commission recommendation in September and potential City Council consideration by October 28th.

The Commissioners discussed the importance of being mindful of any shift from focusing on middle-income earners like teachers, nurses, and public employees, to housing designed for low-income individuals and families. This can blur policy goals. To ensure effective planning and communication, we must have a clear definition of affordable, including the economic development piece, by attracting residents with careers in desirable sectors of the workforce.

There was also concern expressed regarding the NFK2050 plan being presented to Council for adoption before the work of the Mayor's Housing Commission is complete.

7. Q&A and Next Steps **1:15 p.m.**

Q&A

Councilman Carlos Clanton led a discussion on forming subcommittees to address key housing challenges. He proposed groups focused on land use, zoning, and permitting; preservation and capital alignment; site structure and development; and equity engagement with special populations.

Councilman Clanton expressed the commission's interest in establishing subcommittees as a means to strengthen collaboration and engage additional community stakeholders who are actively contributing to city initiatives.

Councilman Clanton noted that this inclusive approach would help ensure alignment when the full commission convenes. He also emphasized the value of having clear direction and coordination with the City Manager and City Council.

Councilman McGee supported the subcommittee approach, emphasizing the need to address obligations under the original resolution, including inventory surveys, owner occupancy rates, fiscal impacts, and the relationship between housing and educational outcomes.

City Manager Patrick Roberts highlighted the need for the commission to understand existing local funding commitments. He advocated the critical need to define the problem before allocating additional resources.

Councilman Clanton and City Manager Roberts discussed the interconnectedness of housing, schools, and workforce development, with Councilman Clanton noting the importance of collaboration with the schools.

Next Steps

- Carl Larsen and NRHA staff will provide additional data on voucher utilization and homeownership transitions.
- Nathan Simms will clarify inspection requirements for voucher recipients transitioning to homeownership.
- Councilman Clanton and Councilman McGee will circulate updated subcommittee ideas and a proposed calendar for commission review.
- City Manager Roberts will present a summary of local dollars committed to housing projects for commission review.
- Planning Director Tajan will prepare the NFK2050 comprehensive plan for Planning Commission recommendation in September, with potential City Council consideration in October.
- Continued outreach will inform plan development and implementation.
- The optimal mix of subsidized housing and its impact on affordability remains under study.
- The relationship between housing policy and educational outcomes requires further analysis.
- The commission seeks clearer direction on the scope and priorities for subcommittees.

Upcoming Meeting: September 15, 2025, at 4pm – Norfolk City Hall, 10th Floor