

SPECIAL CALLED COUNCIL MEETING MINUTES

Thursday, March 12, 2020
7pm at Damascus Town Hall

Council Members Present: Tim Williams, Mitchel Greer, Susan Seymore, Sean Albro, Vicky Van de Vuurst, and Tom Hayes

Absent: None

Also Present: Jack McCrady, Mayor
Gavin Blevins, Town Manager

Don Wagner, Detective
Tuesday Pope, Town Clerk

7pm: Mayor McCrady called the meeting to order and stated that the planned Public Hearing at 7:05 to solicit input on local community development and housing needs in relation to Community Development Block Grant (CDBG) funding for a project in our community could not be held because it wasn't advertised in the paper as scheduled.

Mayor McCrady requested to add the following items to the agenda: 1. Bank Franchise Tax Refund; 2. New Officer Hire Date; 3. Discussion of Treasurer's position applicants in Closed Session; and 3a. Municode annual bill.

- Ms. Albro made a motion to add the items to the Agenda, as presented. Ms. Seymore 2nd the motion, which passed (6-0).

I. The Town has received a \$14,461 invoice from BB&T for a bank franchise tax refund, because the State incorrectly calculated the amount of franchise tax we collected from them over a three-year period (2012, 2013, 2014). Surrounding localities are also receiving such invoices at various amounts, and payment is due asap. Mr. Williams suggested allocating \$7,000 of the payment out of the Public Works Capital Outlay budgeted line item.

- Mr. Greer made a motion to authorize the refund, as requested. Mr. Williams 2nd the motion, which passed (6-0).

II. New Officer Hire Date – Mayor McCrady requested the hire-date be changed from 4-1-2020 to 3-30-2020 so he can start at the beginning of a full work week.

- Mr. Williams made a motion to change the hire date for James Russell to 3/30/20, as requested. Ms. Van de Vuurst 2nd the motion, which passed (6-0).

III. Discussion of Treasurer's position applicants:

- Ms. Albro made a motion to, at the appropriate time, recess into Closed Session for the Discussion and Consideration of Personnel Matters, per VA Code Section 2.2-3711 (A) (1). Ms. Van de Vuurst 2nd the motion, which passed (6-0).

III a. The Municode bill is due in the amount of \$450 for 2020-2021, which keeps the Town's Code posted on their website.

- Mr. Hayes made a motion to pay the bill as presented, 2nd by Mr. Williams. The motion passed (6-0).

- IV. VACORP insurance proposal – Mr. Blevins reported participating in a teleconference with Ms. Rouse, who is the Town Treasurer, and a VACORP representative to discuss what they could offer the Town in terms of municipal liability coverage. It will save the Town \$3,400 each year to change carriers, along with several other ‘pros’, and it is their suggestion that the Town switch from VRSA (previously VML) to VACORP beginning July 1st.
- Ms. Van de Vuurst made a motion to switch the Town’s municipal insurance carrier from VRSA to VACORP beginning July 1, 2020. Ms. Albro 2nd the motion, which passed (6-0).
- V. CDBG-19-PG-08 Planning Grant – Mr. Blevins presented the following documents for approval referencing the proposed housing rehab project:

Town-wide Comprehensive Planning Grant #19-PG-08
Town of Damascus

Local Government Address/Contact Person:

Gavin N Blevins
Town Manager
208 West Laurel Ave
Damascus, VA 24236
(276) 475-3831
gblevins@mrpdc.org

Project Cost:

Initial Planning Grant award of \$30,000 to be paid per approved Work Plan with the Town of Damascus, Mount Rogers Planning District Commission, and the procured Rehab Specialist.

Project Description:

The Town will contract with the Mount Rogers PDC and procure a housing rehabilitation specialist for the project to complete a town-wide housing assessment, including: neighborhood surveying, housing condition walkthroughs/ HQS inspections, work write-ups for houses, project maps, completion of housing rehab program design, holding public hearings, creation of Prioritized Improvement Plan, and drafting and adoption of necessary documents related to applying for funds from DHCD’s CDBG program. The Town intends to utilize the findings from the PG activities to prioritize needs and apply for further funding with various sources, including the Virginia Department of Housing and Community Development.

National Objective:

LMI Benefit and Slum/Blight Elimination

Project Management Team (as of 3/5/2020):

Gavin N. Blevins – Town Manager, Project Manager
Jake McCall – Building Code Official
Mitchel Greer – Town Council/ Planning Commission
Josh Smith – Mount Rogers PDC
Kermit Turner – Sparkplug/Community Liaison
Anna Meade – Rehab Specialist (Mount Rogers PDC)
Sam Blevins – Local Realty Agent
Larry Ginn – Board of Zoning Appeals

The Management Team has the authority to monitor grant project progress to ensure completion of activities in a timely manner, within budget, and with benefits being met. The Team will meet monthly for

updates and will measure according to the Project Timeline. If necessary, the Team will identify corrective measures to ensure the project remains on track for completion within the determined timeframe.

Background Information:

- ✚ The Town of Damascus is currently undergoing an incredible renaissance within our community members and leaders, or downtown business district, and our pedestrian and bicycle infrastructure, and of course our policy and planning efforts. However, one sector that the Town is truly lacking and struggling with at this point in our redevelopments is our housing availability. During the Town's early burst of reinvestment and development, one issue that struck us as a tourist community was the investment in certain properties as vacation rentals and summer homes. These reinvestments were welcomed in early stages, but also posed an ominous trend as available living sites were removed from the market, and other low-to-moderate income housing areas were isolated and divested in. These low-to-moderate income divestments go back to the 60s and 70s with the loss of industry in Damascus, causing a plummet in the population from approximately 1,790 to 820 over the course of just around a decade – for many years, many of these properties remained vacant and eventually fell into irreparable decline. As the Town continues to complete our revitalization efforts, housing availability and blighted housing sectors remain a serious hurdle as our population is projected by the US Census to continue its decline. Without a sustainable housing sector, no community can truly be considered resilient or thriving.

- ✚ The Town of Damascus suffers greatly from a lack of housing availability and a surplus of blighted, condemned and vacated houses. Surrounded by National Forest on three sides, and floodplain districts, available undeveloped land is sparse. The loss of industry and decline in population three plus decades ago left most of the Damascus housing sector in serious decline, and targeted reinvestments from the tourism industry have vastly strayed away from many of these dilapidated housing sectors. Housing opportunities in residential neighborhoods are slim if available, and many houses have deteriorated past acceptable conditions. With the revitalization of the Town, housing is greatly needed, but its availability is lacking. Before the town's revitalization truly kicked-off, the US Census predicted a continued fall in population of around 8% from 2013-2018, however, our efforts and reinvestment have yielded a more stable population (drops of less than 1%). Much of the reinvestment, however, has occurred by folks who do not maintain permanent residence within the corporate limits, thus housing for low-to-moderate income persons has not been improved. Current Census data shows 426 households supporting a population of 789, but over the past 5 years, many more of these households have converted into short-term rentals by investors due to the demand of our tourism economy – this trend has created a shortfall in housing to support a sustainable population growth.

- ✚ The Town is already heavily involved in downtown revitalization, economic restructuring and branding, and infrastructure planning efforts; however, the housing sector limitations are drastically bottlenecking population growth and stability to meet the demands of businesses, infrastructure maintenance, and provision of services at an effective cost per capita ratio. Blighted neighborhoods and lack of acceptable housing options has become the Town's largest hurdle during its revitalization. Preliminary analysis shows high need for a stable population growth.

- ✚ With the Town's revitalization efforts beginning in 2015, after completing an Economic and Infrastructure-focused Planning Grant, over \$2.5 million in investment has been made from the local, state, and federal funds. Private funding investment is also occurring in much of the commercial district, including investment in larger homes which were affected to a lesser degree by loss of industry; however, investment in these homes is largely focused on the tourism economy and does not directly support population growth. With the revitalization of the Town occurring presently, there is a need for housing to support the influx of new citizens and entrepreneurs who will open businesses and bring their families. This is a sector that **MUST** be present to continue the Town's renaissance, and if the opportunity is missed to correct the

housing dilemma the Town faces, the revitalization efforts will be stifled. True economic stability resides in a Town's ability to maintain a stable, healthy population.

- ✚ Unforeseen levels of investment in homes for use as short-term rentals has expedited housing sector shortfalls for which the Town was not yet prepared to address. The community, however, is ready for further investment in housing and related support infrastructure at this time due to the wide acceptance of current revitalization efforts both underway and planned. As revitalization efforts in the downtown and supporting infrastructure are seeing high success, the outfalls of the housing sector have become apparent, and priority has already shifted for both the community and potential investors. The community has yet to complete a plan to address housing sector action priorities to effectively remedy the current insufficiencies and blight-affected areas, but the community is mobilizing to do so.
- ✚ The Town and community residents are ready to complete necessary planning efforts to solve the crisis that has become our housing sector, and both understand that solving these issues is critical to the continued revitalization of the Town – this revitalization supports all of the services that the community enjoys, the infrastructure that the community demands, and the businesses which support their families based on the success of the Town. The Town and community stakeholders have already been working to complete large and small scale infrastructure improvement projects which are designed to restructure the economy to be more resilient – these improvements include large scale grant projects from VDOT, DHCD, and ARC, as well as smaller, community-engagement oriented projects. The Comprehensive Plan is in-process of a complete revision related largely to the housing sector, as well as the updates needed to reflect the changes in directory of the Town due to the revitalization progress. This community, and its investors, are depending on the success of these revitalization efforts.
- ✚ The Town and community will by June 2020 have completed \$2.5 million worth of major planning, restructuring, and infrastructure projects – all directed by the local government, staff, and a management team composed of key stakeholders from all sectors of the community. All of this planning and development has paved the way for our current revitalization efforts and products, but we are now seeing a need to prioritize planning and improvements to the housing sector in order to create a more resilient and successful community. All of these sparkplugs within the current management team and otherwise are aligned with the local government in prioritizing the housing sector needs – monthly meetings have been held for the last 5 years by the management team and by the additional bodies of the government, all focused around design, planning, and decision-making.
- ✚ Completion of this Planning Grant (PG), focused on the Town's deficiencies in its housing sector, is not contingent on any other pending funding sources. This PG is necessary to create an action-based plan for remediation of housing shortfalls and for future needs based on a sustainable growth pattern. This planning effort is absolutely crucial to developing a comprehensive path forward for the Town.

Potential Problems:

1. Residents and homeowners/property owners may be reluctant to provide information, participate in surveys, or respond to contact (such as property owners who do not live in the project area). The Rehab Specialist and Intake Interviewer will strive to develop relationships in order to gain trust, as well as ask participating residents and Sparkplugs to encourage their neighbors. In the event a resident or homeowner/property owner ultimately declines to participate, this will be documented and reported to the Board to ensure all measures have been taken. The Board may also report any homeowner/property owner who is not responding to contact so recommendations can be made to the City, should it wish to take further action.

- The PDC plans to conduct preliminary title searches by obtaining copies of deeds for prospective housing rehab beneficiaries. This will potentially identify ownership issues and ensure all applicants are eligible or that a clear pathway for eligibility exists. When conducting these searches, there is potential for unclear titles or disputed ownership. Every effort will be made to work in conjunction with the listed owners and residents to confirm property ownership, land boundaries, and project eligibility. The Board will be notified of any issues with clear titles/ownership as it arises and can ultimately disqualify a resident/property if all efforts have been made to clear a title for eligibility.

Project Deadline:

The project deadline is based on the anticipated application submission date of November 2020 and March 2021, pending announcement of the application deadlines by VDHCD.

DAMASCUS HOUSING PLANNING GRANT | TOWN OF DAMASCUS

CDBG #19-PG-08

| PROJECT TIMELINE / RESPONSIBILITIES | | | |
|--|--|-------------|----------|
| PROJECT MOBILIZATION | | | |
| ACTIVITY | PERSON(S) RESPONSIBLE | TARGET DATE | STATUS |
| Facilitated Planning Session | Kathi Boatright (DHCD) | 2/20/20 | COMPLETE |
| Identify Planning Grant PMT and prepare Planning Grant PMP | Gavin N Blevins | 3/09/20 | |
| Finalize Planning Grant Work Plan. | Gavin N Blevins | 3/09/20 | |
| Revise Planning Grant budget in CAMS. | Gavin N Blevins | 3/09/20 | |
| Identify additional funding sources for planning activities, if necessary. | N/A | N/A | --- |
| Execute Planning Grant contract. | Kathi Boatright (DHCD); Jack McCrady, Gavin Blevins (Town) | 3/16/20 | |
| Submit remittance request #1 (for completion of initial activities listed in 11/18/19 letter). | Gavin N Blevins | 3/20/20 | |
| Amendments to existing consultant contracts, if necessary. | --- | --- | --- |

| Procure consultants, as needed. | Gavin N Blevins | May 2020 | |
|---|----------------------------------|-------------|--------|
| NEIGHBORHOOD NEEDS ASSESSMENT | | | |
| ACTIVITY | PERSON(S) RESPONSIBLE | TARGET DATE | STATUS |
| Complete Neighborhood Assessment and Surveys. | Gavin N Blevins/Rehab Specialist | July 2020 | |
| Project Management Team Meeting to prioritize units and identified needs. | Gavin N Blevins | August 2020 | |
| Identify additional funding sources for implementation, if necessary. | Gavin N Blevins | Sept 2020 | |
| Submit Remittance Request #2. | Gavin N Blevins | August 2020 | |

| HOUSING REHABILITATION COST DETERMINATION | | | |
|---|-----------------------|-------------|--------|
| ACTIVITY | PERSON(S) RESPONSIBLE | TARGET DATE | STATUS |
| Walk-Thru/HQS Inspections | Rehab Specialist | July 2020 | |
| Work Write-Ups (at least two for application) | Rehab Specialist | July 2020 | |

| | | | |
|---|------------------------------------|-----------|--|
| Project area maps in color (LMI/non-LMI; owner-occupied/investor-owned; proposed HR/SR/demo). | Mount Rogers PDC/ Rehab Specialist | June 2020 | |
| Obtain Participation Agreements/written commitment from property owners. | Gavin Blevins/ Rehab Specialist | June 2020 | |
| Complete Ability-to-Pay summary table. | Gavin N Blevins | July 2020 | |
| Complete Housing Activity tables. | Gavin N Blevins | July 2020 | |
| Draft Housing Rehab Program Design, By-Laws, and Board Members. | Gavin Blevins | July 2020 | |
| Draft Program Income Plan. | Gavin Blevins | July 2020 | |
| Submit Remittance Request #3. | Gavin Blevins | Sept 2020 | |

PRIORITIZED IMPROVEMENT PLAN

| ACTIVITY | PERSON(S) RESPONSIBLE | TARGET DATE | STATUS |
|--|--------------------------------|--------------|--------|
| Prepare Prioritized Improvement Plan (include specific actions to be taken, targeted units, costs of recommended improvements, sources of financing to address proposed improvements, maps). | Gavin Blevins/Mount Rogers PDC | October 2020 | |
| Submit Remittance Request #4. | Gavin Blevins | Nov 2020 | |

| CDBG PRE-CONTRACT ACTIVITIES | | | |
|---|-----------------------|-------------|----------|
| ACTIVITY | PERSON(S) RESPONSIBLE | TARGET DATE | STATUS |
| Draft Project Management Plan | Gavin Blevins | | |
| Draft Environmental Review | Gavin Blevins | | |
| Adoption of Section 3 Business and Employment Plan | | | COMPLETE |
| Draft Section 3 Advertisement | | | COMPLETE |
| Draft Minority and Female-Owned Businesses Advertisement | | | COMPLETE |
| <u>Adopted</u> Non-Discrimination Policy | Gavin Blevins | Nov 2020 | |
| Section 504 Self-Evaluation, Grievance Procedures, and Draft Non-Discrimination of Basis of Handicap <u>Advertisement</u> | Gavin Blevins | Nov 2020 | |
| <u>Adopted</u> Anti-Displacement Plan | Gavin Blevins | Nov 2020 | |
| Certification of Yearly Action to Affirmatively Further Fair Housing | Gavin Blevins | Nov 2020 | |
| Documentation of Two Public Hearings | Gavin Blevins | Nov 2020 | |
| Draft advertisement and RFP for procurement of engineer, rehab specialist, and grant manager, as applicable. | N/A | N/A | --- |
| Completion of utility user agreements, as applicable. | N/A | N/A | --- |
| Submit Remittance Request #5. | Gavin Blevins | Dec 2020 | |

CDBG APPLICATION ACTIVITIES

| ACTIVITY | PERSON(S) RESPONSIBLE | TARGET DATE | STATUS |
|--|-----------------------|-------------|----------|
| Publish Notice for Public Hearing #1 (at least seven days prior to hearing) | Gavin Blevins | 2/26/20 | COMPLETE |
| Second method of notifying public of hearing #1. (posted <i>bulletin board & website</i>) | Gavin Blevins | 2/26/20 | COMPLETE |
| Public Hearing #1 | Gavin Blevins | 3/12/20 | |
| Documentation of Public Hearing #1 (proof of ad, second method of notification, agenda, minutes, sign-in sheet/attendance) | Gavin Blevins | Mar 2020 | |
| Publish Notice for Public Hearing #2 (at least seven days prior to hearing and at least seven days after public hearing #1). | Gavin Blevins | Oct 2020 | |
| Second method of notifying public of hearing #2. (posted <i>bulletin board & website</i>) | Gavin Blevins | Oct 2020 | |
| Public Hearing #2 (at least seven days after public hearing #1; review CDBG application). | Gavin Blevins | Oct 2020 | |
| Documentation of Public Hearing #2 (proof of ad, second method of notification, agenda, minutes, sign-in sheet/attendance) | Gavin Blevins | Oct 2020 | |
| City Council adopts resolution to supporting CDBG application and documenting specific itemized leverage amounts. | Gavin Blevins | Nov 2020 | |
| Submit CDBG application. | Gavin Blevins | Nov 2020 | |

| WORK PLAN | | | |
|---|-----------------------|----------------|-----------------|
| ACTIVITY | PERSON(S) RESPONSIBLE | TIMELINE | COST |
| Project Mobilization | Mount Rogers PDC | Feb 20, 2020 | \$3,000 |
| Neighborhood Needs Assessment | Mount Rogers PDC | March 20, 2020 | \$7,000 |
| Housing Rehabilitation Assessment | Rehab Specialist | August, 2020 | \$5,000 |
| Housing Rehabilitation Cost Determination | Rehab Specialist | August, 2020 | \$5,000 |
| Prioritized Improvement Plan | Mount Rogers PDC | October, 2020 | \$7,000 |
| CDBG Pre-Contract Activities | Mount Rogers PDC | November, 2020 | \$3,000 |
| TOTAL | | | \$30,000 |

- Mr. Greer made a motion to approve the Project Management Plan, the Projected Timeline, and the Work Plan, as presented. Ms. Albro 2nd the motion, which passed (6-0).

MEMORANDUM OF UNDERSTANDING
Between the
TOWN OF DAMASCUS
and the
MOUNT ROGERS PLANNING DISTRICT COMMISSION

WHEREAS, the Mount Rogers Planning District Commission (PDC) is authorized by Chapter 42 of Title 15.2 of the Code of Virginia, 1950 as amended, to assist local government units in planning their development; and

WHEREAS, the Town of Damascus has received planning monies to prioritize housing efforts from the Virginia Department of Housing and Community Development (DHCD); and

WHEREAS, the Town of Damascus requires assistance to complete the work plan activities required by the planning grant; and

WHEREAS, the Mount Rogers Planning District Commission is willing and able to provide grant management assistance;

NOW, THEREFORE BE IT RESOLVED, that the Mount Rogers Planning District Commission staff will assist the Town in the following ways (Scope of Work):

1. The PDC will schedule and attend all Management Team and/or community meetings during the contract period.
2. The PDC will assist in procurement of a Housing Rehab Specialist, completion of the Neighborhood Needs Assessment, and completion of the Prioritized Improvement Plan; as well as coordinate with the rehab specialist to complete the Housing Rehabilitation Assessment.
3. The PDC will provide general coordination between the Town, Management Team, Rehab Specialist, and DHCD.

COST OF SERVICES – The cost of providing planning assistance based upon the outlined Scope of Work will not exceed \$17,000.00. This fee is based upon the amount committed to the Town by the Virginia DHCD to perform such work.

PAYMENT TERMS – The total contract amount of \$17,000.00 will be due upon delivery of the products outlined in the described scope of work, and included in the attached Work Plan.

- Ms. Seymore made a motion to authorize the Mayor to sign the MOU between the Town of Damascus and the Mount Rogers Planning District Commission, as presented. Ms. Van de Vuurst 2nd the motion, which passed (6-0).

VI. Trail Center architect's invoice - \$1,386, to McCarty Holsaple McCarty, for project surveying and imaging services.

- Ms. Albro made a motion to approve payment of the invoice as requested, 2nd by Mr. Greer. The motion passed (6-0).

VII. Imboden St. bathhouse renovation – The materials cost estimate from Lyon Metal and Roofing is \$2,132.90, and will match the specs for the Trail Center. Roofing labor will be provided in-house, so there will not be an additional bill submitted for roofing the bathhouse.

- Mr. Williams made a motion to order the roofing materials from Lyon Metal and Roofing based on the estimate provided. Mr. Greer 2nd the motion, which passed (6-0).

VIII. Additional business properly brought before the Town Council:

a. Budgetary Item - Mayor McCrady stated the Town will need to continue working on the 2020-2021 projected budget, as they have been, and will need to have an alternative budget worked out as well, with a 25% reduction across the board, in case needed due to the uncertainty of the foreseeable economy.

b. Mayor McCrady also stressed telling employees that if they are sick, they need to stay home.

- *Recess into Closed Session for consideration of legal matters previously identified (see Item III for vote).*
- Ms. Albro made a motion to Return to Open Session, 2nd by Ms. Van de Vuurst. The motion passed (6-0).
- Ms. Seymore made a motion to Certify, 2nd by Ms. Albro. The motion passed (6-0).
 - * Ms. Seymore made a motion to hire Ms. Eva Meyer to begin training with Ms. Rouse for the position of Town Treasurer at a rate of \$15.50 per hour, pending background check and with a 90-day probationary period, part-time initially and then full-time after college graduation (May-June 2020). Ms. Van de Vuurst 2nd the motion, which passed (6-0).
- Ms. Albro made a motion to adjourn, 2nd by Ms. Van de Vuurst. The motion passed (6-0).

Jack McCrady, Mayor

Tuesday Pope, Clerk