

**Minutes of the  
COMMISSION ON LOCAL GOVERNMENT  
September 12, 2025  
12:30 PM  
Virginia Housing Center  
4224 Cox Rd  
Glen Allen, VA 23060**

Members Present

Heather Cordasco  
Ceasor Johnson  
Robert Lauterberg, Chair  
Terry Payne, Vice Chair  
Edwin Rosado

Members Absent

*None*

Department of Housing and Community Development (DHCD) staff present for all or part of the meeting:

Alan Jones, Senior Public Finance Analyst  
Trisha Lindsey, Policy and Legislative Services Director  
Andrew Malloy, Senior Policy Analyst  
Suliman Safi, Board Coordinator  
Chase Sawyer, Policy Manager

Call to Order

Commissioner Lauterberg, Chair of the Commission on Local Government, called the regular meeting to order at 12:33 p.m.

Roll Call

The roll was called by Mr. Malloy. Mr. Malloy reported that a quorum was present.

Approval of Agenda

A motion was made by Commissioner Payne and seconded by Commissioner Cordasco to approve the draft agenda. The motion passed on a unanimous voice vote (YEAS: Cordasco, Lauterberg, Payne, Rosado; NAYS: None).

Approval of Minutes

A motion was made by Commissioner Rosado and seconded by Commissioner Payne to approve the minutes of the July 18, 2025, regular meeting of the Commission. The motion passed on a unanimous voice vote (YEAS: Lauterberg, Payne, Rosado; NAYS: None; ABSTAIN: Cordasco).

Public Comment

Commissioner Lauterberg opened the floor for public comment. After seeing no speakers, Commissioner Lauterberg closed public comment.

Staff's Report

Mr. Malloy welcomed Mr. Alan Jones, the new Senior Public Finance Analyst at the Department of Housing and

Community Development (DHCD). Mr. Jones introduced himself and provided a brief background on his previous roles and experiences.

Mr. Malloy provided an update on possible alternative locations for future Commission meetings, noting that DHCD staff will work to identify potential locations to incorporate in the 2026 meeting schedule.

#### Cases Before the Commission

Mr. Malloy provided an update, stating that no new cases had been received since the last meeting.

#### Regulatory Update

Mr. Malloy provided an update on the Commission's regulatory reduction action related to 1VAC50-20. Mr. Malloy reviewed past actions of the Commission including the approval of the Final Stage text at the May 2025 meeting. Mr. Malloy noted that the Final Stage regulations are in administrative review. Mr. Malloy provided an update on the fiscally distressed localities regulations (1VAC50-30) that were authorized by 2024 legislation (SB645). Mr. Malloy reviewed past actions of the Commission including the approval of the Proposed Stage text at the July 2025 meeting. Mr. Malloy noted that the Proposed Stage regulations are in administrative review.

#### Local Fiscal Distress Update

Mr. Jones provided the Commission with an update on the Town of Tangier. Mr. Jones stated that in July of 2025, the Auditor of Public Accounts notified the Governor that the Town of Tangier had been identified as fiscally distressed. Mr. Jones noted that the Commission currently has not action to take until the Governor has appointed a state intervention team and sent a letter to the Commission notifying it of its oversight authority. Commissioners asked staff questions and discussed the Commission's involvement in local fiscal distress cases.

#### Mandates Assessments

Mr. Safi provided an update on the assessments of mandates on local government. Mr. Safi stated that DHCD staff worked with other state agencies to complete the scheduled mandates assessments for FY25 and have made recommendations for elimination or retention. Mr. Safi added that the respective recommendations have been transmitted to the Governor and General Assembly. Commissioners asked questions and discussed the assessments of mandates on local governments.

Mr. Johnson arrived at the meeting at 1:11 p.m.

### Fiscal Stress Report

Commissioner Lauterberg provided an update on potential changes to the Fiscal Stress Report. Commissioner Lauterberg summarized the recommendations and conclusions of the ad hoc workgroup on the Fiscal Stress Report. Commissioner Lauterberg noted that the current report may be misleading because many localities that are labeled “high fiscal stress” have AAA or AA credit ratings. Commissioner Lauterberg recommended an update to the report’s methodology so that it more accurately reflects if a locality is actually fiscally stressed. Commissioner Lauterberg suggested using data in standard local government reporting documents including revenue, fund balance, and debt as a share of revenue to measure local fiscal stress. Commissioner Lauterberg noted that these data points come from research on fiscal stress from George Mason University and the University of Virginia Weldon Cooper Center. Commissioner Lauterberg asked the Commission to consider continuing efforts to update the Fiscal Stress Report and working with the University of Virginia Weldon Cooper Center to review the methodology used to develop the Fiscal Stress Report. Commissioners asked questions and discussed the Fiscal Stress Report. Staff emphasized that the Fiscal Stress Report is separate from the local fiscal distress procedures for which the Commission has promulgated regulations.

A motion was made by Commissioner Payne and seconded by Commissioner Rosado for the Commission on Local Government to request by letter to the UVA Weldon Cooper Center a review of the methodology used in the Report on Fiscal Stress of Virginia Cities and Counties, together with recommendations for enhancements. The review should focus on incorporating additional empirically validated predictors of fiscal distress, especially those within local governments’ control. The motion passed on a unanimous voice vote (YEAS: Cordasco, Johnson, Lauterberg, Payne, Rosado; NAYS: None).

### Longtime Owner Occupancy Program (LOOP) Workgroup

Mr. Malloy provided an update on the Longtime Owner Occupancy Program (LOOP) Workgroup. Mr. Malloy stated that the 2025 Budget Bill directed DHCD to identify programs to keep long-term residents in their primary homes as real property taxes increase and to make recommendations for eligibility criteria for long-term occupant real property tax relief in Virginia. Mr. Malloy added that in developing these recommendations, DHCD was directed to form a workgroup

including tax and housing experts, the Department of Taxation, and the Commission on Local Government. Mr. Malloy thanked Commissioner Rosado for his participation in the LOOP Workgroup. Mr. Malloy summarized the recommendations from the draft report and discussed the LOOP Workgroup's review of longtime owner real estate tax relief. Commissioners asked questions and discussed the LOOP Workgroup's draft report. Mr. Malloy noted that the draft report is in administrative review.

Other Business

Mr. Safi reminded the Commissioners to sign their travel reimbursement forms.

Adjournment

A motion was made by Commissioner Cordasco and seconded by Commissioner Rosado to adjourn the meeting of the Commission. The motion passed on a unanimous voice vote (YEAS: Cordasco, Johnson, Lauterberg, Payne, Rosado; NAYS: None). The meeting adjourned at 1:45 p.m.