

PLANNING COMMISSION REGULAR MEETING

June 14, 2022 – 5:30 P.M.

Hybrid Meeting

I. COMMISSION PRE-MEETING (Agenda discussion(s))

Beginning: 5:00 PM

Location: Hybrid Meeting

Members Present: Chairman Solla-Yates, Commissioner Russell, Commissioner Lahendro, Commissioner Stolzenberg, Commissioner Mitchell, Commissioner Habbab

Members Absent: Commissioner Dowell

Staff Present: Patrick Cory, Missy Creasy, Remy Trail, Brian Haluska, Jeff Werner, James Freas, Alex Ikefuna

II. COMMISSION REGULAR MEETING – Meeting called to order at 5:30 PM by the Chairman.

Beginning: 5:30 PM

Location: Virtual/Electronic

Chair Solla-Yates called the meeting to order at 5:00pm and began by asking for questions concerning the 1000 Monticello application. He noted that it had come forward before and the Commission narrowly provided a recommendation for approval and Council denied. Mr. Haluska provided additional feedback on the previous application. Commissioner Lahendro asked about the height and commercial space. Chair Solla-Yates asked for information on what is the question on the application for this evening. Commissioner Mitchell asked about the affordable units and Mr. Haluska noted that 34-12 does not apply to this application so any units provided are voluntary. Commissioner Stolzenberg asked about the statement provided by the Office of Community Solutions. Mr. Haluska provided some feedback. Commissioner Habbab asked about traffic concerns at this site and Mr. Haluska noted that per the Streets that Work plan, this will provide for one entry and place all the traffic on Bainbridge which should address some concern on Monticello. Commissioner Russell noted that the applicant should plan to provide some feedback on the questions posed by Council during the first application.

Chair Solla-Yates then asked if there were comments on the 923 Harris application. Commissioner Lahendro visited the site today and asked about the house near the railroad tracks. He noted customers from adjacent businesses appear to parking in the right of way access. Mr. Haluska provided feedback on the surrounding properties. Commissioner Stolzenberg asked about landscape buffering adjacent to the sidewalk and Mr. Haluska noted that there is a desire for buffering, but this situation may limit the ability to place. They will need to address detailed requirements at the site plan phase if this request moves forward.

Concerning the 415 10th Street application, Commissioner Mitchell asked if there were any legal restrictions about razing the church following the rezoning request? How about once it sells? Please clarify what a CBA and IPP are? Mr. Haluska provided background information.

Mr. Haluska provided background information on the Lochlyn preliminary discussion. Commissioner Mitchell asked about the critical slopes on this part of the site and Mr. Haluska noted that that is something that can be part of the consideration.

A. COMMISSIONER'S REPORT

Commissioner Lahendro – I attended two meetings over the past month. The first one was the Board of Architectural Review on the 17th of May. We had a light meeting. Only two certificates of appropriateness came to us. They were both approved. The Tree Commission met last week on June 7th. Dan Frisbee, who is the city's water resources specialist, reported on the restoration project of Shanks Stream in McIntire Park. This project is going to happen to stop the ongoing severe erosion and improve the habitat along the stream. It is in the northeast area of McIntire Park where the botanical garden is planned. The project is designed and is currently being bid. They hope to begin construction this fall and be completed in about a year. Our 3 standing committees, which are education & advocacy, arbor, and codes & practices showed their work priorities for the upcoming year. Highlights include the tree planting plan, updating tree data, participation in zoning ordinance rewrite, and taking a more active role in city staff review of development plans to increase and protect trees.

Commissioner Habbab – I had one meeting on May 18th. It was the Citizen Transportation Advisory Committee. We had a presentation on the city and county climate mitigation plans for both the city and the county. We looked at a draft of the unified planning work program, which is available at the Thomas Jefferson Planning District Commission website. It identifies all the activities that are planned to be undertaken in the Charlottesville Albemarle MPO.

Commissioner Mitchell – There were 3 meetings that I was involved in. The first was the Board of Zoning Appeals (BZA). We met to review an application for zoning ordinance relief. The location was 1214 East Harris Street. That is where Harris Street and Meade come together. That white building is there on the end. What they wanted was relief on the setbacks. They wanted to reduce the setback. They want to install a vertical screen and a canopy. We approved it. The Parks & Rec Board met the same day. There have been several personnel movements in Parks & Rec, several hires, and movements. Examples of the hires include a new playground technician, a new urban forester, a new youth programmer, and a new gardener. Things like that have been happening. Good news is that we are moving people around and we are hiring people. The bad news is that we are still down 7 to 8 staff in the Parks & Recreation Department. You know what is happening with the lifeguards. We can't keep our pools open. We're down 35 lifeguards. We got a debrief on the Tonsler Park Improvement project that we're working on. There were 3 things that stood out with me. People don't want to lose green space to increase the parking that we have there. They do want to bring in more bleachers for the basketball courts. They would like to upgrade and expand the shelter and configure it in a way that will allow for more programmatic activities. Sent you guys a presentation from a UVA student about an urban vision for urban food forest. The vision is to have this in Washington Park on the softball field. The LUPEC group met. There were 3 basic topics that we reviewed. One was a RAISE grant for Three Notched Trail. RAISE (Rebuilding American Infrastructure for Sustainability and Equity). The trail that they are envisioning will run from the Blue Ridge Tunnel all the way to Charlottesville. The objective is to share this with bikes and pedestrians. They're hoping to get around \$2 million to help them implement this trail. Mr. Freas gave an update. There was one thing that he had to remind everyone a couple of times. The rewrite of our code is not a form-based code. It does contain form-based elements. That is something that we need to remember as we're talking to people about this. In Crozet, there is a development opportunity, the Barnes Lumber opportunity. This is an effort to revitalize a dormant site in downtown Crozet. What they want to do is build a plaza with the related buildings and infrastructure and road networks. It is right there adjacent to downtown Crozet. This is not something a developer can do by himself. What they have been working on is a public-private partnership. There will be a for profit developer, the county, and VDOT involved to help with some of the infrastructure and with the network of roads. They spoke about this project in a way that suggested that they want to do this so that people don't have to come all the way to Charlottesville to spend their leisure money. They can stay there and spend their leisure money in Crozet. I would remind you that we want Charlottesville to be a destination for Greene County people, Fluvanna County people, Nelson County people, and Albemarle County people. As we think about our transportation infrastructure and our parking infrastructure, we need to keep in mind that once people get here, they need to be able to get around easily and have a place to park. They won't come because they will be incentives to do more projects like this.

Commissioner Stolzenberg – I did have one meeting this month, the MPO Technical Committee. We recommended approval of the policy committee of the unified planning work program that Commissioner Habbab mentioned. We recommended approval and endorsed 8 smart-scale applications from the MPO, which include Avon Street Multimodal, District Avenue Roundabout, Fifth Street Extended Multimodal (Fifth Street Station), and Rivanna River Bridge. We recommended all the projects the localities are submitting. There are a number in Albemarle County. The one in the city that we discussed last month that will perhaps not be happening on Fifth Street and all the TJPDC ones for outside the MPO area.

Commissioner Russell – I attended the TJPDC Commission meeting on June 2nd. They voted in officers and approved smart scale applications. I note that none of them affected Charlottesville. There was also a vote on contract negotiation related to rural broadband access. There were some interesting things out of the Executive Director’s report. The regional housing partnership is hosting a summit. TJPDC staff, in December, applied for and was awarded a \$15,000 housing event sponsorship from Virginia housing to support the summit. Staff will be working to secure an additional \$35,000 in sponsorships, donations, and contributions to hold the event. The USDA released a notice seeking applications for housing preservation grants. Because of the short time period, there is a planned meeting with TJPDC on June 23rd for a brief presentation and a resolution of support to basically proceed with applying towards this grant that would be due on July 11, 2022. If you are interested in that, June 23rd is when that meeting will be. The Commonwealth draft budget was released. Includes funding for a regional transit governance study and funding for the Albemarle transit expansion demo grant. That draft budget will go before the board at the June meeting.

B. UNIVERSITY REPORT

Commissioner Palmer – We just got through 3 weeks of graduation and 2 weeks of reunions. All is quiet on Grounds other than all the construction. The big things happening are the Ivy Corridor Development. If you’re over there, you can see the big stormwater pond facility that is being constructed. It has been dug. You can start to see how that is coming together. The steel is coming out of the ground for the Data Science School. The Contemplative Commons is getting underway. There is a master planning council meeting tomorrow afternoon. We will be reviewing where we are with our Grounds Plan Update.

C. CHAIR’S REPORT

Chairman Solla-Yates – I want to thank Commissioner Russell for covering for me at TJPDC. I have been focusing on changing state code, allowing a single-stair residential to 6 stories in Virginia statewide. It has been very time consuming. It is a remarkable effort. That has exited the subcommittee with a recommendation of non-consensus. Some people like it and some people don’t like it. That goes to the full committee, where it may pass. The big idea is to allow the kind of missing middle residential that our Comprehensive Plan calls for but is not allowed by state code.

D. DEPARTMENT OF NDS

James Freas, NDS Director – We’re finally able to announce the release of our first report under the zoning rewrite project. This is the diagnostic and approach report. We will be releasing it on Thursday. As we announced today, we have scheduled our public open house for that report for Monday, June 27th over at the Ting Pavilion. We look forward to a lot of conversations with the community, all of you, and whoever shows up at that meeting. For context, the zoning rewrite is the third step in our Cville Plans Together project, which began with the Affordable Housing Plan, which was adopted in March, 2021, the Comprehensive Plan that was adopted in November 2021, and the zoning rewrite, which is intended to implement both of those projects. This first report kicks off our 3-step process for the zoning rewrite. This

report is the conceptual plan of the new zoning ordinance. It lays out the ideas. It talks about what we need to do to change our zoning ordinance to advance implementation of the Comprehensive Plan and the Affordable Housing Plan. It lays those out conceptually for discussion for feedback from the community. I will be meeting with neighborhood organizations and other groups to share the content of that report and get feedback. We will be coming back to you in September in a joint meeting with the Planning Commission and City Council to formally present the final draft of this report and get your feedback and get your go-ahead to move forward into drafting the zoning ordinance. We will produce a first draft of that zoning ordinance and restart the process of feedback and engagement around that. We take all that input and turn it into a final draft, which will come back again to the Planning Commission and City Council for adoption. We anticipate those activities happening in the spring of 2023.

Commissioner Mitchell – When is the writing of the actual ordinance?

Mr. Freas – We are going to start some of the formatting work this summer. The bulk of the drafting of the ordinance will begin after that meeting in September.

Commissioner Mitchell – One of the things that Mr. Freas mentioned at the LUPEC meeting was that the actual ordinance is going to be more readable.

Mr. Freas – There are many great objectives here. One of them is moving towards a more readable, more readily understandable zoning ordinance so that the average resident can pick it up, understand what they can do with their property, or more importantly what can happen at the end of their street or in their neighborhood more clearly.

Commissioner Lahendro – You will have 2 new planning commissioners in September at that meeting. Hopefully, they will be selected and can read and catch up with the background and participate in this meeting.

Ms. Creasy – Timing-wise, that should work out. Council, last Monday, was to determine their interview schedule for how they were going to interview candidates for the Planning Commission. I don't know the outcome of that decision. They realize that we have potential for several new people.

Commissioner Stolzenberg – Do we have a sense of how that process will evolve after that initial feedback session in September? Is it going to be an iterative process of drafts being written and coming back to us for comment? Is it going to be more of an interactive thing?

Mr. Freas – We're working to finalize how that will go. We're talking about there being 3 'chunks' for review. There will be 3 pieces of the zoning ordinance that are released sequentially to begin that review and dialogue. A zoning ordinance is one of those things where each piece interrelates to a certain extent. You need to release some logical 'chunks' that interact and work well together so that people can see the big picture of what is being presented.

E. MATTERS TO BE PRESENTED BY THE PUBLIC NOT ON THE FORMAL AGENDA

No Public Comments

F. CONSENT AGENDA

1. Minutes – August 10, 2021 – Pre-Meeting and Regular Meeting
2. Preliminary Site Plan – 218 West Market Street

(Items removed from the consent agenda will be considered at the end of the regular agenda)

Motion to Approve – Commissioner Mitchell – Second by Commissioner Habbab – Motion passes 6-0.

III. JOINT MEETING OF COMMISSION AND COUNCIL

Chairman Solla-Yates called the Planning Commission to order for the joint public hearings.

Mayor Snook called Council to order for the joint public hearing.

Beginning: 6:00 PM

Continuing: Until all public hearings are complete

Format: (i) Staff Report, (ii) Applicant Presentation (iii) Hearing, (iv) Commission Discussion and Recommendation

1. **SP22-00005 – 1000 Monticello Road** - Piedmont Realty Holdings III LLC (the “Applicant”) as owner of the property located at 1000 Monticello Road, near the intersection of Monticello Road and Bainbridge Street identified by Tax Map and Parcel (TMP) 570036000 (the “Subject Property”) has submitted an application seeking approval of a Special Use Permit (SUP) for the property. The property is currently zoned NCC Neighborhood Commercial Corridor. The Comprehensive Land Use Map for this area calls for Neighborhood Mixed Use Corridor which recommends commercial, employment and residential uses and allows buildings up to 5 stories in height. Pursuant to City Code Sec. 34-700, the Owner submitted a request for increased density from a By-Right 21 Dwelling Units per Acre (“DUA”) to 42 DUA. The Owner is proposing a mixed-use building with 11 residential units and a single commercial unit. The Subject Property is approximately 0.808 acres with road frontage on Monticello Road and Bainbridge Street. The SUP, if approved, would allow for the construction of 11 new units on the Subject Property in addition to the existing 23 units already on the site. Additional information pertaining to this application may be viewed online at www.charlottesville.gov/agenda. Persons interested in the Special Use Permit application may also contact NDS Planner Brian Haluska by e-mail (haluska@charlottesville.gov) or by telephone (434-970-3186).

i. Staff Report

Brian Haluska, City Planner – This is a special use permit for 1000 Monticello Road. There was a similar application considered in the early months of 2021. This should look familiar for those of you on the Commission at that time. The request is for additional density at the site. The current property has already been previously developed and is at a density that exceeds the by right density permitted in the neighborhood commercial corridor. Any additional residential units on the site will require a special use permit. The request is for 42 dwelling units per acre, which is above the 21 dwelling units per acre by right allowed under that zoning district. The property has two entrances: one off Monticello Road and one off Bainbridge Street. The applicant proposes to utilize the entrance off Monticello Road as the building site and build a 3.5- to 4-story building on that site that contains a total of 11 residential units and a small commercial unit on the ground floor. The applicant has proposed 2 conditions. I know that they might want to talk about that. I know that they had some modifications to that, which is fine to do at this meeting. The one condition that you will focus your discussion on is condition 2, which stipulates that 7 of the 11 units will be affordable, per the definition spelled out in that condition. That is a condition that you should have seen before on some other applications. This project does not trip the standard in Section 34-12 of our zoning ordinance, the requirement for affordable housing. This condition is offered by the applicant above and beyond what is required under our code, which is nothing because the site is so large in terms of area that it does not hit 1.0 FAR. Staff has reviewed this. In the previous

case and in this case, staff is recommending approval given the additional housing it provides in an area that is typically walkable.

Commissioner Mitchell – Is the height by right?

Mr. Haluska – That is correct.

Commissioner Mitchell – We talked earlier about the impact of future developments in that area. I am thinking about 130 units that are going to be built by the Belmont Condos. With the additional 11 units and the general traffic stretchers on this, do you have any thoughts on that?

Mr. Haluska – The overall impact on public infrastructure is something that is considered in each special use permit. We do encourage people to isolate the various impacts of each development. Overall, it is something that the traffic engineering staff monitors. At times, the cumulative impact of that, the city is assuming, at some point, the responsibility to monitor those roads and make changes as necessary. In talking with the traffic engineer about this site and this road, if you have gone through there, there is a lot of on-street parking. If there is a safety issue because of the volume of traffic, the first inclination would be to potentially remove some of that parking. That would go through a public process. That is an unpopular change to make. There is a balancing of priorities in that situation. The traffic impact of an additional 11 units in this area will be small. The road is a narrow road. It has some traffic issues now. We have received some complaints about sight lines. That is one of those safety concerns where you would potentially have to move around some No Parking signs to create better sight lines.

Commissioner Mitchell – I am not worried about this project's height. I am worried about the cumulative effect of this. The 130 units is going to be a by right development. That traffic is on the way.

Commissioner Habbab – I know that there are a few minor changes from the last application. Do you have any thoughts on that?

Mr. Haluska – The previous application, when it came before you, there was a lot of wordsmithing around the affordability provided as a part of this application. The condition in front of you is one that has been vetted several times. It has been presented to the Commission before. There should be less uncertainty around what the applicant is proposing. I believe there has been a little bit of change to the design of the building. I would welcome the applicant to talk about that in greater detail.

Commissioner Stolzenberg – I want to commend staff for the improvement in the wording of the affordable housing. We have come a long way since this application came around the first time. There is one other difference. The last time, we had 5 units at 65 percent AMI. The 2 units at 125 percent FMR and 80 percent AMI are new?

Mr. Haluska – That is correct.

ii. Applicant Presentation

Kelsey Schlein, Applicant –

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Looking at a site overview here, you can see the buildings in the darker gray. Those are the existing buildings on the 0.1-acre property that is located at the intersection of Monticello Road and Bainbridge Street. The proposed new building footprint, which will house 11 units and a small commercial tenant space is proposed

adjacent to the front existing building fronting along Monticello Road. You can see, in the lighter footprint, the extent of the proposed new building in this location. There is an existing entrance in this location. That will be closed with this building footprint location. Closing the entrance will limit conflict points for pedestrian connectivity along Monticello Road.

Kevin Schafer, Applicant –

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There are questions on what has changed. Hopefully, this slide helps answer those revisions. There are 3 revisions that are notable. The first being the addition of a first-floor commercial space on the ground level that faces Monticello Road. The intention is to create a mixed-use building that helps extend that downtown Belmont commercial corridor a little further up Monticello Road. The second revision is the addition of 550 square feet of rentable square footage on the 4th floor. We are still affording a very generous step-back on that 4th floor and a rooftop terrace on that 4th floor. The building will be presented as a 3-story mass from the street. You can see that the building has become more uniform on that 4th floor. The final revision is the affordable housing component, adding more affordable units.

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What has changed? Why re-submit this project? We heard this question in the pre-meeting. There are several reasons. There has been a lot of discussion and a lot of change in the past 18 months regarding Charlottesville land use and future planning. We have had enhanced community engagement. We have had enhanced public comment through this development of the 2021 Comprehensive Plan. Many of these specific objectives and combined ideals of the Comprehensive Plan start to codify what this project embodies. We felt that with the adoption of this 2021 Comprehensive Plan, now is the time to bring this back. In the past 2 years, we haven't solved our housing crisis, particularly from an affordable housing perspective. What does that compel us to do? That compels us to bring forth a project that has an affordable housing component; even more so than previously submitted. We have an ongoing climate crisis. We heard from the city of Charlottesville citizens that they are in tune with that. That compels us to look for sites that reduce the reliance on an automobile. As stated in our Comprehensive Plan, develop infill sites. This is an existing parking lot/drive that we can turn into 11 units. Seven of those units will be affordable. We heard that from the community and we heard that codified in the Comprehensive Plan. We also heard a desire for mixed-use development and mixed-income developments are successful, especially in these neighborhood corridors. That compels us to include this small ground level commercial space. There is the idea of creating a storefront along Monticello Road that has merit and value.

Ms. Schlein – One of the main components that has been changed is the affordable housing commitment and getting that codified and cleaned up, ensuring that it is enforceable, and it can be evaluated by city staff in the future. That was a huge step. We want to thank the city attorney's office for all the work that they did with us on previous applications to get that right. We have a new Comprehensive Plan in place. We have a new Affordable Housing Plan in place. The purpose of the landing section of the Charlottesville Affordable Housing Plan states 'land use policies shape where housing is located, what housing looks like, and how much housing is built. These tools should serve to support affordability without additional demands on local funding.' This is a 100 percent developer subsidized affordable housing commitment. This is not a request for local funds. In looking at these goals and plans that we have put forth over the past 18 months, this project makes sense in this location. This proposal has many consistencies with the recently adopted Comprehensive Plan. I hope this doesn't serve as a recitation of everything that you already know but rather an emphasis on how this project embodies the goals and objectives of that Comprehensive Plan.

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A land use objective supports the redevelopment of underutilized gray field sites along community corridors. Monticello Road is a main community corridor throughout Belmont and connects a lot of nodes in that

neighborhood. By removing existing impervious area, that is serving as an entrance to the site. We're not compromising on existing green space or developing a green field site. This is a perfect opportunity to realize additional density in this location. It is near an existing bus stop on Bainbridge. That is about as close as it gets to a bus stop and access to transit opportunities.

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Looking at these additional land use goals. Within a 5-minute walk, there are 8 bus stops of this site. That is huge. That does not exist (I am not sure) anywhere else in the city. There is plenty of access to alternate opportunities for transportation. Promoting housing and redevelopment and infill development that supports bicycle & pedestrian oriented infrastructure improvements, and robust public transportation; this project is very consistent with that.

Mr. Schafer – If you expand to a half-mile radius (10-minute walk), you can get to 3 parks, the Downtown Mall, and the transit center, which will take you anywhere in Charlottesville.

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We looked towards the Comprehensive Plan for guidance when it comes to the built form of the city. The Comprehensive Plan says scale to allow additional housing types and a mix of uses throughout the city at a scale that is familiar to the city's neighborhoods. That is an interesting distinction and one that we continue to take to heart. The footprint that you see here on this slide shows a building footprint that has a square footage of approximately 1750 at the street level. We're presenting a building that is 18 feet wide by 32 feet tall approximately, which is not out of scale with its adjacent single-family residences. The 4th story is unusual in downtown Belmont. The 3-story that is being presented at a street level does have precedent within Belmont including churches, the adjacent elementary school, and the Virginia Center for the Blind. We want to be in harmony with our neighborhood. We want to be at a scale that isn't out of mass or inappropriate. These diagrams illustrate how we aim to do that while adding density and adding additional housing types.

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Land Use Goal 6 states 'encouraging creative context sensitive contemporary planning and design.' I want to focus on context sensitive. That is something that the Planning Commission helped guide us in the previous submission. We take a lot of cues from our adjacent neighborhood. We have a 2-story brick base, 2-story brick mass that fronts the street, which is typical in downtown Belmont. It is also immediately adjacent to us in the existing townhomes. We are using that 2-story brick water table height to mark the eave line of the adjacent townhomes. We have punched openings that are in proportion of this style of construction and this building type. As the project gets to 3 or 4 stories, we are employing a more contemporary style of wood material. That is not atypical in downtown Belmont, whether that is a covered porch or a rear addition to employ a contemporary style that distinguishes itself from a 2-story brick masonry mass.

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Ms. Schlein – The comprehensive traffic look question has come up in evaluating this project. We're looking at about an additional 5 to 6 vehicular trips in the AM peak and PM peak hours. It is very minimal from this project. I understand that it doesn't address the comprehensive approach. When we are looking at places and sites that are ideal for residential development the ideal is for minimizing transportation impacts. When you have a site that is within walking distance of 8 bus stops, that is a good start. This is very walkable to downtown. It is in a walkable and bikeable location as well. Overall, there will be more development in Belmont, more trips on the road. Here, there is a great opportunity for multimodal transportation. By closing this entrance, we are reducing conflict points for pedestrians. That is huge. We're having a sidewalk connection that is unbroken by curb cuts. As far as the capacity of Monticello Road and how it functions today, the parking on the street, when you come down Monticello Road, this is one of the first larger building masses that is very

close to the street. You have trees framing the street. It creates the sense of enclosure. It signals to the driver to slow down. You must negotiate, in this area, with other drivers. I am not sure that is a bad thing in this location.

Mr. Schafer –

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As a concerned citizen, rather than an applicant, I would want to know what is happening to the existing residents. A condition that you consider when you're considering an SUP is the displacement of existing residents or businesses. This proposal does not displace any resident. The existing buildings are to remain. No work is proposed on those existing buildings. We're taking great care to push the construction development to the north side of the parcel, occupying a small spot of the parking area to ensure that construction would be as minimally impactful to the existing residents as possible. The overarching goal of this slide is that we will not displace any residents. All residents would be remaining. No work is to be proposed on the existing buildings.

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A conversation point with the last proposal was the visual view shed impact from downtown Belmont. The 3-story mass is down there at the end adjacent to the existing townhomes. It is shielded by existing trees that are closer to downtown Belmont in between this and the proposal. It is not massive. It doesn't cast long shadows. It doesn't tower over adjacent neighbors. We have the luxury of having a large buffer on site to the east and to the south. We have Monticello Road to the west. We employ the generous step back to present a 3-story mass, which has a change in material after that 2-story height to continue to visually minimize that height.

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Here are a few more photo montages of the proposed building and how it relates to its existing context. We are taking cues from our context as a guiding principle. We want to be in harmony with the neighborhood, which is another consideration when considering a special use permit, ensuring that a building is not overly massive or out of scale with its neighborhood.

Ms. Schlein –

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With the affordable housing, the commitment is for 5 units at HUD FMR rents. The income cap for that is at 65 percent AMI and for 2 units to be capped at 125 percent FMR. We took this directly from the Office of Community Solutions feedback to show what the rental rates are for those units. The 2 units at 125 percent FMR will be capped at 80 percent AMI. I know that in the staff report from Community Solutions, it seemed that there was concern about perhaps meeting the city's goals. Everyone is looking to the policymakers for how to structure those things and what those goals are. There are some very specific goals in the Affordable Housing Plan for publicly funded and subsidized units and how to utilize those funds. We really want to target 30 percent for this developer subsidized commitment. This is the commitment that can be made for this project. Knowing that this is important, this is a unique situation on this property where this owner can even offer something at this, given the outrageous construction costs over the past 18 months, given the land costs because of the fact it is reutilizing a portion of the site that wasn't previously anticipated to be utilized. This is a unique situation on this property where this owner can make this specific commitment. I know that there were a few calculations in the Office of Community Solutions staff report. We're getting at expressing a concern that maybe the income limits that were put forth or that the rents that were put forth were out of reach for the income limits that were committed to. That comes from the calculation that was done in the staff report was done at 25 percent of income of somebody making 80 percent AMI or 25 percent of income of somebody making 65 percent AMI. The reason that was done is to account for a 5 percent income allowance for utilities. In our commitment, we have committed to fair market rents. The definition of fair market rents is a gross rent. It is a 30 percent rent calculation. I wanted to clarify that. We feel that the income restrictions that were put forth, these income limits,

are attainable for those income thresholds. If somebody has a voucher that can help to subsidize that rent, our understanding of it and putting forth a commitment to fair market rent, we're doing our calculations off a 30-percent total, not a 25-percent total. I wanted to call out that discrepancy between some calculations that I saw in the staff report and how we had defined this commitment. With the 2 conditions, conditions 3 and 4 that were put forth about tracking and a marketing plan, those are outlined in a covenant that would be recorded along with this affordable housing condition to ensure all those finer details were worked out with the city in the future. We're on board with committing to those conditions 3 and 4 and can make that happen.

Mr. Schafer – I will end on a few points with one being a voluntary commitment. Staff noted that this doesn't require any affordable housing. The owner has directed us to be very aggressive in our affordable housing allowance. That was voluntarily decided to make this an affordable housing project. It is unique in that the owner already owns the land. As we see land costs rise in Charlottesville and construction costs rise in Charlottesville, this kind of small to mid-level scaled infill housing project has the possibility to make real change. There is a precedent here. I urge you to consider the merits of this application in the precedent that it sets. Please do not discourage this kind of project for coming in front of you. After the zoning rewrite, we could see this become a by right project depending on how the Comprehensive Plan is outlined. From a density and housing perspective, it is only 11 units. It has impactful change if implemented in other parts of the city in terms of this infill mixed-use, mixed-income housing project on a gray field existing parking lot.

Councilor Payne – I have a couple of questions for staff related to the Office of Community Solutions comments on the application. I would be curious to hear from staff about concerns about the rental affordability periods and assurances that vouchers would be accepted.

Alex Ikefuna, Director of Community Solutions – Councilor Payne, your point is well-taken. There are a couple of concerns that we have. Even though this is a voluntary commitment on the part of the developer, a 30-year affordability period would be more in line with city policy. There is also a lack of mention of their willingness to accept their vouchers. That is why we raised those concerns. Right now, 10 years in as much as it looks very generous with the voluntary commitment. We feel that a 30-year commitment would be contributing in terms of housing affordability in the city. That was why we raised those concerns.

Councilor Payne – What would assurances that vouchers would be accepted look like in practice?

Mr. Ikefuna – It would depend on the developer, their willingness to work with staff and the Housing Authority to set that price level at the point where people with vouchers will be able to use it in those units.

Councilor Payne – When you talk about an acceptable marketing plan on how to market the designated affordable units, would that look like, in practice, some sort of communication or collaboration with the CRHA and their long wait list of people with vouchers to even have them even know that this property could potentially accept their voucher?

Mr. Ikefuna – That is correct. We usually require, as noted in the staff reports, that the developer provide an acceptable marketing plan. Part of that marketing plan is how those that need housing are informed. That will be through the collaboration with CRHA and perhaps other housing agencies and staff. Once the units are ready and the city is notified and the marketing plan is approved, we start working with the developer to disseminate the availability of those units. CRHA is usually in the 'equation' in terms of the marketing plan to make sure that those on the wait list with vouchers can inquire about those units.

Councilor Payne – Did you (the applicant) have any thoughts on the feedback in the report, from the Office of Community Solutions about the plan on how to market the designated affordable housing units and whether vouchers will be accepted in the development?

Ms. Schlein – With the voucher acceptance, in putting forth this condition, it was our full intent to ensure that vouchers were accepted. I felt that we had put that in our condition. It is, in a convoluted way. With the way Section D of the proposed condition, it references the covenants. We did submit (although the draft covenants are not part of the condition) draft covenants for review. Those are to be reviewed and approved by the city. The draft covenants reference the city's standard operating procedure adopted by 34-12g. That provides for the provision for the acceptance of vouchers. In providing our condition, although it is not explicitly stated within the condition, we are happy to clarify that. Through a series of document connections, they are required because they are required by the standard operating procedure, which is a reference in the covenants. With the marketing plan, that also is an item that is laid out within the draft covenants. Every recommendation that staff has put forth, we are on board with that. It was never the intent to omit any of that information.

Councilor Payne – Of the existing units there, do you know how many are currently occupied?

Ms. Schlein – Currently, I believe they are all occupied.

Councilor Payne – Do you know how many of those tenants were people who had been living there before ownership changed?

Ms. Schlein – It is six. There are 6 units currently occupied before the ownership change. There was a previous owner. There was a long-time owner, a short-term owner, and we have this 3rd owner in place who has been in place since 2018. During the short-term owner, I believe that 11 of the units had already gone to a rental rate that was more of a market rate. Out of the 23 units, 11 units had already gone to market rate with the immediate prior owner. When this owner acquired it, there were 12 units that were still renting at below market rate. Of those, there are 6 tenants, who remain in the units and rent at well below market rates.

Councilor Payne – Did all the tenants have the choice to renew their lease?

Ms. Schlein – I believe most everyone did. If anybody wasn't, it had to do with an ability to uphold the terms of the lease.

Councilor Payne – Of the 6 tenants who remain, do you know if any of them use housing vouchers?

Ms. Schlein – I am uncertain about that.

Councilor Payne – I would note, for the record, that I think it is important that, while it is true that the damage has been done and this is a development on a vacant parcel for the moment. It is worth to have on the record that the ownership changing has resulted in a net loss in affordable housing. The comment of this development will not displace anyone while technically true, is true because that displacement already occurred. That is worth noting for the record in the history of this specific project.

Councilor Pinkston – The main point for the SUP is the dwelling units per acre. Is that the main thing?

Ms. Schlein – That is the only request.

Councilor Pinkston – In terms of these affordable units or the fair market rate, the thing that you outlined, would that only be in the new piece or spread throughout the whole development?

Ms. Schlein – It is only applicable to the new building.

Mayor Snook – With the commercial addition, it seems random. How did that come about?

Mr. Schafer – I think that we heard from the Comprehensive Plan and the public hearing of that the idea of mixed-use/mixed-income buildings with a variety of housing types are desirable. The mixed-use component of it affords a small, commercial space that fronts a community corridor and a neighborhood corridor. That affords a storefront for a small business.

Mayor Snook – To a certain extent, it seems like you are throwing in the commercial there in the hopes of finding one more ‘little nugget’ that someone might latch onto. Another way to look at it is if we add in that additional element, that will enable us to pay a few more bills. We can now afford to throw in another affordable unit or something like that. If the latter was true, it suggests to me a continuity of thought that is greater than what I would say. I don’t mind that it has a storefront capability there. It seems random.

Mr. Schafer – There were two trains of thought. One being that we were at our maximum density with 11 units. We couldn’t add another residential unit. That was becoming an amenity space that was only going to service the new units. It seemed better, being on the neighborhood corridor, to give that to the street and create a storefront. The second train of thought there was exactly as you mentioned. If we can have a commercial storefront here, can we commit to more affordable housing. That is represented in the additional 550 square feet on the 4th floor. If that leasable square footage is gained, can we be more aggressive with our affordable housing component?

Mayor Snook – It is rare that we learn that we on Council, learn enough about the way that a developer figures out what ‘am I trading off against what to get to this result.’ It doesn’t offend me that there is some trading off going on. If there are additional tradeoffs that must be made and this is one of those tradeoffs that must get made to be able to afford more affordability, I am all in favor of that.

Ms. Schlein – I recall an earlier design conversation where I know you all were reworking the building in the middle of COVID. We were talking about commercial spaces. A small co-working space or coffee bar are the only opportunities for social interaction when we were in that mindset. You brought up the great point of opening it up to the community. That was big a design driver behind that.

Mayor Snook – There was discussion in one of the penultimate drafts of having more mixed-use nodes. There was a lot of objections from people, who said ‘that might be a good idea in New York City. It is not a great idea in my neighborhood.’ Belmont already has that to a certain extent with the various restaurants. It has always seemed to me that might be an example of how a mixed-use node might be seen to work. The idea intrigues me.

Commissioner Mitchell – I have a question about the vouchers. If we do the vouchers, will the vouchers be available to all 7 units?

Ms. Schlein – Yes. They were limited. I believe the 125 FMR is currently the rate that vouchers cover that are issued by the CRHA.

Commissioner Mitchell – An acceptable condition would be that Section 8 vouchers will be applicable/acceptable by all 7 affordable units.

Ms. Schlein – If someone comes forward with a voucher, the intent is to accept it.

Mr. Ikefuna – For the voucher, are you saying that since the city voucher is up to 125 percent, you guys are inclined to accept the voucher for 125 percent?

Ms. Schlein – The reason that we set the thresholds that we did for the rent was specifically to enable the acceptance of vouchers and to ensure that the rent was not offered at a price that was unobtainable for somebody with a voucher. That was the whole intent/thought process in setting the thresholds that were set.

Commissioner Habbab – It is a good proposal that adds some infill housing in a very desirable part of our city. I heard some concerns from the public about the term of affordability. Can you talk about why 10 years and where that came from?

Ms. Schlein – The 10 years is what can be voluntary committed to in this situation. I know that the city is seeking much longer affordability in seeking 30 years, seeking 99 years affordability terms. Whenever an applicant is coming before you (this is clear in the Affordable Housing Plan), accepting city funds, that should be the expectation just as when an applicant utilizes LI HTC funding. They must meet certain thresholds. They must offer affordability for a certain amount of time. When an applicant utilizes city funds, there should be a standard by which they adhere to. In this case, 10 years is what we can commit to on this project.

Commissioner Lahendro – What is the square footage of the commercial component?

Mr. Schafer – It is 385 square feet.

Commissioner Lahendro – What practically do you see being able to use that commercially?

Mr. Schafer – It is a small space. Is it a coworking space? Is it a small coffee shop or a bakery? It is those kinds of items where it is a small use.

Commissioner Russell – Is it just one story/first floor of that space? It seems that a previous plan had more broken up massing on that west façade. It seems like the building that we are looking at now is a monolith. I am wondering if you had extra space. Would it be possible to get that broken up massing? Was that considered? You maxed out the residential part and have this ‘orphan’ of a commercial storefront. I am not sure that is mitigating the impact to the neighborhood from a visual standpoint. I am confused by the viability and the usefulness of that commercial part.

Mr. Schafer – It was to get a storefront on the street to face Monticello that was otherwise being used only as an amenity space for the residents. The front tower element is separated by the open-air exterior egress stairs. There are bounding boxes within that front tower element that is directly below studio apartments. We’re working with that footprint and trying to create a unified, cohesive thoughtful design.

Commissioner Stolzenberg – It seems that 380 square feet is larger than you think. Isn’t it the case that a source of income discrimination, which means discrimination against voucher holders is illegal by state code?

Ms. Schlein – I would agree with that statement.

Commissioner Stolzenberg – With these conditions that we are imposing, we say source of income discrimination would not be permitted. Condition 4 as part of the marketing plan: ‘how to market the property including non-discrimination of prospective tenants on the basis of race, religion, color, sex, age, national origin, or source of income.’ That is also in our general standard operating procedures. Do you have a sense of how that marketing plan might do that? Would you give CRHA a ‘heads-up’ that you are listing the units. You must submit the marketing plan to OCS. I guess the implication is that OCS would tell the CRHA that these units are available.

Mr. Ikefuna – That is correct.

Commissioner Stolzenberg – I did have one question about traffic. The application says something about there being 5 trips in the AM peak hour and 6 in the PM peak hour. The staff report says 12 trips. Is that because the staff report is talking about the total number of units whereas the application is talking about the incremental number?

Ms. Schlein – I don't know the answer. It is probably closer to either the whole housing development or perhaps the commercial user was driving a certain number of trips as well. That is going to vary based on who occupies that space. If it is a lunch spot, it is going to contribute no trips in the peak hour if it is only open 11 to 2. I imagine that it is coming from an analysis of the prospective commercial tenant.

Chairman Solla-Yates – This project is familiar to me. I am excited about the addition of the commercial use. That makes a lot of sense for the space.

iii. Public Hearing

Brandon Collins – I am speaking for myself this evening. I am concerned about this community and this affordable housing crisis. As it stands, I am going to ask you to deny the special use permit for this property. A special use permit is going outside of your existing rules. The property is already outside of your existing rules. To do so, you must show that there is a benefit to the community and there is not a negative impact on the community. It is crass to hear the development team talk about their commitment to affordable housing and the affordable housing crisis when this exact property has contributed to the crisis in Charlottesville when it comes to affordability and to the displacement of low-income residents. Based on that, there is already a negative impact. They're beyond the rules of the zoning. They're already above their density. We currently have 23 existing units that are overpriced. They're proposing 7 affordable units for a 10-year period. That is not the kind of benefit to mitigate the impact that the owners have had on the affordable housing situation in this community. You need a better deal. Even with a better deal, it is a big stretch to get to a point where these community partners can be seen as operating in good faith.

Ms. Creasy read a statement from legal counsel concerning the earlier discussion. The source of funds or source of income became a protected class in the Virginia Fair Housing Law on July 1, 2020. It is unlawful to discriminate because of any source that lawfully provides funds to or on benefit of a renter or buyer of housing, including assistance benefit or subsidy program. Whether such program is administered by a government or non-governmental entity.

Chairman Solla-Yates also noted a call from Alma Mills of Belmont. She expressed a variety of concerns on a variety of topics. She expressed concerns about aesthetics and traffic safety on this item.

iv. Commission Discussion and Recommendation

Commissioner Mitchell – I recognize Mr. Collins' concern and I recognize the concern expressed by Councilor Payne. Mr. Collins is talking about historical wrongs. Councilor Payne has recognized the historical missteps. That was then. This is now. This is an opportunity to improve the situation. I am likely to support this with the conditions outlined by staff. I would be interested in seeing if any other commissioners want to add something to a condition to beef up the voucher piece as well.

Commissioner Habbab – It is a good infill proposal. I do like the commercial space. Something creative can happen there. It extends that downtown Belmont feeling. I appreciate the material change for the massing. The

height is not something that is part of this application. It is a by right height. Is that something we can add to the SUP conditions, the design that was in the application to lock them into it?

Mr. Haluska – In the past, we have written conditions that essentially said that the development would adhere to the submission packet. In this situation, you could say that something along those lines of it would be substantially in conformance with what was presented to the Planning Commission. The counsel that I would give is to add the date of the packet and the date of the drawing so it can be easily identified in the future.

Commissioner Stolzenberg – This is a good project. If you look at it in a vacuum, ignoring the site, it is possibly the best project you can imagine. It is replacing a redundant driveway and curb cut with 11 units of housing. Seven of them are going to be affordable. It is hard to argue against that. The commercial aspect is a nice addition. Whatever goes in there will probably activate the street and make it more pleasant to walk along. The elephant in the room is the thing that we are legally not supposed to consider in talking about this application, which is the history of this property. We spent a long-time last time going over what that history was and trying assign blame. If the information we received from the applicant was correct, they did make a compelling case that most of the wrongs were done by the previous owner. That is not to say that Mr. Holsworth is a saint. The question for Council, as you consider this and if you are still considering denying these 5 homes for people under 65 percent AMI or deeper, another 2 for people under 80 percent AMI, and another 4 at market rate. If we're denying those homes as punishment to the property owner, when does that punishment end? Is it enough to have 1.5-year delay to say that they couldn't build when construction costs were cheaper and sit on the property? Should we be denying those homes forever as punishment? Our legal counsel would say that you're not allowed to consider that, and you cannot punish them. We can say that we don't like the massing or the impacts of the density. The massing is by right. They could build it to 4 stories without any setback by right if they stuck in commercial. In terms of the actual, direct, and adverse impacts of the density, realistically speaking, there is none. If you layer on top of the affordable housing we're getting out of it, it is a big win. I hope it can move past that baggage.

Commissioner Palmer – It seems like a good project for that location.

Chairman Solla-Yates – I don't think that we can redeem or make right what has been done in the past. I don't think that is an option on the table. This project must stand alone for good or for bad. It is, in this condition, it is for the good.

Councilor Payne – If we're talking about length of affordability being critical for making a longer-term dent, I wonder if we must reach a point in terms of the expectations of developers and what is in a proffer, basically some kind of partnership with the community land trust for affordability. I know Albemarle County has had discussions in that direction. Because it came up tonight, I wonder about that. The point about source of income discrimination now being illegal in Virginia is very important. It moves the conversation to the more important point of: Are developments de facto accepting individuals with vouchers even if they're not turning away someone strictly on the basis that they're using a voucher. We have a long wait list that is not finding properties to rent in Charlottesville or in Albemarle County. Figuring out what is de facto creating that situation is worth figuring out and mitigating. For the historical record, the change in ownership has resulted in a net loss of affordable housing. It perhaps is not going to be on the table. You have seen in developments where a nonprofit has purchased it, allowed people who would have been displaced to stay. That is not on the table right now. It is worth keeping in mind as we're thinking about development as an iterative process where expectations may influence actors' behaviors.

Mayor Snook – There has been some question or comment made about the period of affordability. I will note that, depending on the discount rate used in trying to make that calculation, if the discount rate, for example, was as low as 5 percent, the difference between a 10-year or 30-year affordability period is significant. If you're

looking at 8 percent, it is less. If you're looking at a 10 percent discount rate, it is not much. I don't know what the internal rate of return is that these developers are working with. I don't know any way that we would ever know that. I do know that there is not a lot of difference between a 10-year and a 30-year affordability period for most analyses.

Motion – Commissioner Mitchell – I move to recommend approval of this application for a Special Use Permit in the NCC zone at 1000 Monticello Road to permit residential development with additional density with the following listed conditions.

- 1) Up to 42 dwelling units per acre (DUA), or 34 residential units, are permitted on the subject property.**
- 2) The Owner shall provide affordable housing within the Property, as follows:**
 - a) For the purposes of this Condition, the term “For-Rent Workforce Affordable Dwelling Unit” means a dwelling unit where the monthly cost of rent, including any tenant paid utilities, does not exceed 125% of the Fair Market Rent by unit bedrooms for the Charlottesville MSA, the aforementioned Fair Market Rent is established annually by the Federal Department of Housing and Urban Development (HUD).**
 - i) For-Rent Workforce Affordable Dwelling Units shall be reserved for rental to low and moderate-income households having income less than 80 percent of the Area Median Income. Area Median income means the median income for Households within the Charlottesville, Virginia HUD Metropolitan FMR Area, as published annually by the U.S. Department of Housing and Urban Development.**
 - b) For the purposes of this Condition, the term “For-Rent Affordable Dwelling Unit” means a dwelling unit where the monthly cost of rent, including any tenant paid utilities, does not exceed the Fair Market Rent by unit bedrooms for the Charlottesville MSA, the aforementioned Fair Market Rent is established annually by the federal Department of Housing and Urban Development (HUD).**
 - i) For-Rent Affordable Dwelling Units shall be reserved for rental to low and moderate-income households having income less than 65 percent of the Area Median Income. Area Median income means the median income for Households within the Charlottesville, Virginia HUD Metropolitan FMR Area, as published annually by the U.S. Department of Housing and Urban Development.**
- c) Two (2) of the dwelling units constructed as a result of the approval of this special use permit request within the area of the property shall be For-Rent Workforce Affordable Dwelling Units and an additional five (5) of the dwelling units constructed as a result of the approval of this special use permit request within the area of the property shall be For-Rent Affordable Dwelling Units (collectively, the “Required Affordable Dwelling Units”) for a total of seven of the dwelling units constructed within the area of the Property provided as Required Affordable Dwelling Units. The Required Affordable Dwelling Units shall be identified on a layout plan, by unit, prior to the issuance of any certificate of occupancy for a residential unit within the Property (“Initial Designation”). The Owner reserves the right, from time to time after the Initial Designation, and subject to approval by the City, to change the unit(s) reserved as For-Rent Workforce-Affordable Dwelling Units and For-Rent Affordable Dwelling Units, and the City’s approval shall not unreasonably be withheld so long as a proposed change does not reduce the number of Required Affordable Dwelling Units and does not result in an Affordability Period shorter than required by these conditions with respect to any of the Required Affordable Dwelling Units.**
 - i) The Required Affordable Dwelling Units shall be reserved as such throughout a period of at least ten (10) years from the date on which the unit receives a certificate of occupancy from the City’s building official (“Rental Affordability Period”). All Rental Affordable Dwelling Units shall be administered in accordance with one or more written declarations**

of covenants within the land records of the Charlottesville Circuit Court, in a form approved by the Office of the City Attorney.

ii) On or before January 1 of each calendar year the then current owner of each Required Affordable Dwelling Unit shall submit an Annual Report to the City, identifying each Required Affordable Dwelling Unit by address and location, and verifying the Household Income of the occupant(s) of each Required Affordable Dwelling Unit.

d) The land use obligations referenced in 1.c.i and 1.c.ii shall be set forth within one or more written declarations of covenants recorded within the land records of the Charlottesville Circuit Court, in a form approved by the Office of the City Attorney, so that the Owner's successors in right, title and interest to the Property shall have notice of and be bound by the obligations. The Required Affordable Dwelling Units shall be provided as for-rent units throughout the Rental Affordability Period.

3) An acceptable marketing plan on how to market the designated affordable units should be provided to the City's Office of Community Solutions prior to the issuance of the permit for development of the units. The marketing plan should provide detailed information on how the developer/owner will market the property, including non-discrimination of prospective tenants on the basis of race, creed, religion, color, sex, age, national origin, or source of income.

4) When completed and occupied, the owner shall provide an annual report on affordability compliance for the affordable unit(s) on a template provided by the City's Office of Community Solutions.

5) The massing and design substantially conform to the presented images on application SP22-0005: April 12th.

Second by Commissioner Stolzenberg. Motion passes 5-1.

Discussion after Second of Motion

Commissioner Lahendro – One of my hesitations is the fact that, while the project does comply with the by right heights and massing. We are asked to comment upon the massing and scale of the project. In my opinion, this is not a compatible project with this context with the buildings next door, with its relationship to the street. I find it unfortunate in its design.

Commissioner Stolzenberg – Without the condition, they could build to the by right massing regardless.

Commissioner Habbab – That is correct.

Commissioner Stolzenberg – I don't think we should be afraid of a 4-story building, particularly with a setback on the 3rd floor, especially with such a small footprint. What we're seeing in the by right submittal for the Belmont Condominiums are buildings that are taller with much larger footprints. In previous by right submittals, we have seen large apartment buildings that are 4 stories. This is a nice missing middle small apartment. It fits in great.

2. **SP22-00004 – 923 Harris Street** - 923 Harris Street LLC (the "Owner") and Shimp Engineering (the "Applicant") have submitted an application seeking approval of a Special Use Permit (SUP) for the property located at 923 Harris Street, near the intersection of Harris Street and Cynthianna Drive identified by Tax Map and Parcel (TMP) 350112000 (the "Subject Property"). The property is currently zoned IC Industrial Corridor. The Comprehensive Land Use Map for this area calls for

Business and Technology Mixed Use which recommends light industrial/production uses along with allowing for other commercial/residential uses and buildings up to 6 stories in height. Pursuant to City Code Sec. 34-458(b) and 34-480 the Applicant and Owner submitted a request for increased density from a By-Right 21 Dwelling Units per Acre (“DUA”) to 54 DUA. The Applicant is proposing a multifamily building with 7 units and as the Subject Property is approximately 0.13 acres with road frontage on Harris Street, the SUP, if approved, would allow for the construction of the 7 units on the Subject Property. Additional information pertaining to this application may be viewed online at www.charlottesville.gov/agenda. Persons interested in the Special Use Permit application may also contact NDS Planner Brian Haluska by e-mail (haluska@charlottesville.gov) or by telephone (434-970-3186).

i. Staff Report

Brian Haluska, City Planner – This is a special use permit for a property located at 923 Harris Street. There is an existing structure on the property. It is a single-family house that has been vacant for some time. The property is zoned Industrial Corridor. The request before you is for additional residential density up to 62 units per acre. The reason that this did not come before is because we had the wrong number for the density. Staff has reviewed the application. The only issue that has arisen in the discussion was the access to this and the parking. The applicant’s buildout would have a requirement of 8 parking spaces for the residential units plus a small art studio space on the ground floor. They are utilizing reductions in the code to get down to 7 units required but are requesting a waiver of one of those spaces. They would provide 6 spaces on site. You would be asked to reduce that down. As staff has noted, there is on-street parking on Concord, which is one lot to the south of the site. Harris Street, in this area, does have bike lanes. As a part of the buildout, they would extend an existing sidewalk on the adjacent property. Regarding Commissioner Mitchell’s question from the pre-meeting, when you look at the site, there is a platted alley between the pet daycare and this site. It is about 20 feet wide. The rest of the grassy area that you see there is contained within this site. As a part of the buildout of this, you will have a building that is a little wider than that existing structure.

Commissioner Lahendro – What is that alley for?

Mr. Haluska – Right now, it is grass. In many cases around the city, there are lots of alleys like this that were platted with possibly some interest of preserving access or providing access to the rear of properties. They were never used in that manner.

Commissioner Lahendro – I was wondering if it was intended to represent the historic access to something that is now gone.

Mr. Haluska – If you look at our city’s GIS mapping, you will notice that the Small Engine Repair facility to the north of the project, that building is on its side lot lines. It almost has no side yard. That parking area that you traverse to get back there is the right of way Cynthiana Avenue. The house behind it is addressed off Cynthiana. It is not very formalized. I am guessing that it is not a publicly accepted street, given its condition. It is a public right-of-way.

Councilor Payne – What is the property behind 923 Harris Street?

Mr. Haluska – It is 604 Cynthiana. It is a single-family residence. The tax assessor records have the use code as multi-family. I am not sure what that discrepancy is. I am familiar with it because it was an adjacent property to the pet care facility, which has gone through 2 special use permits.

Councilor Payne – Has there been any analysis of how this development would impact access to that property?

Mr. Haluska – No impacts to the access of the property. That property could avail itself of the alley should they want to. An alley closure would go through a separate process. If this applicant wishes to close that alley and obtain that space, they will have to get the sign off from the owner of 604 Cynthiana. They also have frontage along Cynthiana right-of-way as well.

Mayor Snook – I have been concerned and I was concerned when we approved the project that is up at the end of Harris Street. We are taking land that is zoned industrial or commercial and putting it into a residential use at a time when I think the long-term economic health of the city requires us to have some non-residential uses. One of the concerns that I have is to put an apartment building into the middle of what could be a very productive industrial or commercial use of some sort. It is likely to be something that gets in the way. I wonder whether it is wise for us to be creating things that are likely to get in the way of what I suspect is going to be a different kind of development. I don't know if anybody at the Planning Commission level has thought about that or is concerned about that. Council hasn't talked about it. I have mused about it from time to time. If we are being asked to give an unusual use/permission when we think that in the future we're going to regret having done so, I wonder whether that is a good idea. My question is whether the staff or this commission has thought about that concern. Am I alone in it?

Mr. Haluska – The Office of Economic Development has raised this before the Commission in the past. One of the problems that the city has in the development of businesses is not a shortage of incubator space but of the next iteration of space; 1000 or 2000 square feet of open space that could be configured however a business needs once they have moved out of an incubator space. That has been raised. A couple legal points regarding zoning: This is the industrial corridor. The industrial corridor permits residential by right at 21 dwelling units per acre. The request is an increase in density. It is not for a use that isn't permitted in the zone by right. That is one element to talk about. Another legal point is how many of those industrial uses that we have traditionally sequestered into our industrial corridors can now be suitably sprinkled throughout the city. In many of these cases, what we consider to be industrial in our Euclidian zoning ideas were relatively dirty uses for pollution and noise. Most of those uses don't go in cities anymore. What we're talking about are laboratory uses and things like that can conceivably co-exist with residential uses and be in a lot more of our corridors than just River Road, Harris Street, and Allied Street. It is a larger discussion. My rationale on this was more along the lines that this is a small property area-wise. I am having a hard time imagining this being a key part of industrial development in the future. It is a point that has been raised and a consideration as we move forward in the zoning rewrite.

Mayor Snook – I agree that it is a small site. By itself, it isn't likely to be used for a manufacturing facility or a commercial facility of any significance. On the northwest side of Harris, those are a bunch of small lots. Maybe what we mean is the southeast side of Harris should be industrial. We're not going to worry about the northwest side because those are small lots. It is not that far to the railroad tracks. I would like for us as a city to do that intentionally and not accidentally.

ii. Applicant Presentation

Kelsey Schlein, Applicant – I will start with the alley questions. The alley adjacent to the property was closed in 2014. When an alley closure takes place, that is a public process. When the 15-foot alley closure was closed, half the alley goes to the adjacent property owners on one side and the other half goes to the adjacent property owners on the other side. After that alley closure was done, the property owner, who owns Pet Paradise, acquired the 7.5 feet adjacent to this property. There is no alley adjacent to the property. That is not how the residents behind this property access their unit. That is entirely owned by what is occupied as Pet Paradise. There is no alley separating this property and Pet Paradise. That is a shared property boundary. In the rear of the site, there is a wide railroad right-of-way. They have a lease agreement that they're occupying in that space

back there. To explain the property context and the ownership and what is happening around the site, the alley was closed a few years ago. This property at 923 Harris Street is a property that is less than 5000 square feet located on Harris Street next to Pet Paradise. It is a few hundred feet from the intersection of Concord Avenue and Harris Street. Harris Street has been imagined in the previous comprehensive plan and this comprehensive plan as a business-technology hub corridor. We have incubator spaces. The next space up from that might be some types of labs or biotech uses. We imagine what industrial uses look like in our next phase as a city and in our next phase of land use. Residential uses can co-exist very well with those types of uses. They will most likely be employees and might want to live closer to their place of work. Harris Street is an axis that has been anchored by the development at McIntire Plaza and development, over the last few years, on Preston Avenue. Although this has been a long-imagined vision for what this road could be, now that those 2 anchor points on each end of this axis have started to be redeveloped, to have more commercial and residential activity over the past years. We will start to see some more development proposals on Harris Street.

Next Slide – Zoning Map

You can see that the property is zoned industrial corridor. Regarding Mayor Snook’s point about the economic development considerations that come into play. When a development proposal is before you for something that you may not think of characteristically industrial, residential is a by right use. This request is specifically for a special use permit for increased density to permit 7 units on the site. This is a very small site, less than 5000 square feet. It is not ideal for some type of more comprehensive redevelopment. Most of what we would imagine as industrial uses have taken place on the other side of the street where the concrete operation and the depth of those larger lots lend itself better to those types of uses.

Next Slide – Future Land Use Map

In the context of the recently adopted Future Land Use Map, it is designated as business and technology mixed-use, which calls for light industrial and production uses with other commercial and residential uses where appropriate. This site is incredibly appropriate for residential use. It has been used as residential since 1920, as a single-family dwelling. This is an opportunity for this property to serve 7 households in the future and moving forward.

Next Slides – Site Context

You can see that GIS still shows the alley as open. That is probably causing some of the confusion. It is that property boundary between Pet Paradise and the subject property. That alley has been closed. There is an existing single-family residential dwelling. That dwelling has been vacant for some time. The property was under one family’s ownership for a period. The individual, who lived there, had since passed. The property went into an estate. That is how the property was acquired by the current owner. It has been vacant for some time. Moving forward, we see an opportunity for how this can continue to serve future residents in this area on this property.

Next Slide – Concept Plan

Since it is a small site (5000 square feet), it is occupying a majority of the site. We have a generous setback off the rear. It offers a little bit of relief off the current property that currently has an existing single-family dwelling on it. The structure on that property is much closer to being behind the Gingrich Building rather than directly behind our building. Our rear yard is aligning with their rear yard in this proposal. There is one point of ingress and egress here from Harris Street. The parking will be underneath the building. The proposal is for parking on the first floor with 3 stories above. The code offers a parking reduction for providing bicycle parking, conceptually showing how that all would lay out on this site.

Next Slide – Transit

There are transit opportunities somewhat nearby in this area. That adds that as more residential development comes online, there is more need for transit in this area. I am sure that additional bus stops will come online in

the future. This is showing the existing transit and infrastructure in the area and how residents can access transit at nearby transit stops.

Next Slide – Nearby Amenities

There is good bike infrastructure. The Harris Street bike lane project accommodated bike lanes and especially climbing lanes on the hillier portions of Harris Street to allow bikers to safely maneuver up and down that corridor. There is a bike lane in front of the property because we're on a hill. That is one of the climbing lanes that was implemented. In adding this development here, there won't be any compromise to that existing bike lane. This is also calling out the nearby amenities to the site being Schenks Greenway, Washington Park, and Jackson Burley Middle School.

Next Slide – Additional Project Details

The city code 34-162 does permit applicants to request parking modifications to requirements in the ordinance when applicants are making a special use permit request. With this special use permit request, we are requesting to reduce the parking requirement by one space. Given the availability of on street parking on Concord, we think that is validated. Given the nature of the relationship between the residential and a potential commercial tenant where there could be complimentary users there where the residents and the commercial tenant are sharing spaces, we feel that the 6 spaces provided with this, given the context and the available on street parking, we can meet the parking demand with this project.

Carmel Greer, Applicant – With regards to the alley questions, the alley was closed and sold to Pet Paradise prior to us being involved. I would love for that alley to be open. It is not open, and it is owned by somebody else. With regards to the industrial corridor, I recently moved here from Washington DC. I love McIntire Plaza. It does feel disconnected from the rest of the city. To have a successful industrial corridor, a variety of uses would help facilitate movement from the McIntire Plaza up to Preston Avenue. In terms of creating a walkable, vibrant city, a street like Harris Street as a connector has a variety of uses. Harris Street is characterized by useful, industrial things like Southern States. It is also characterized by a tremendous number of vacant parking lots and lots that are weeds. In the case of this house, it can only house one family. It is in a state of disrepair. The idea is that Harris Street could be a wonderful place and help the city's goals for that corridor. The Preston Avenue area is also full of fun and vibrant things to do. The idea of connecting using Harris Street as a connector is a wonderful thing that we would like to do. Charlottesville is sorely lacking in housing. There are many sites where people don't want housing to be built. This is a site where it is so small. You can't even fit the core, necessary for a lab or something like that on the site. That is just not viable. It is viable as a mini-storage site. I don't think the city is needing more mini storage. There is demand for that because of the students. I think providing housing would be a much more noble endeavor. It is rare to find a site where nobody has a big objection to housing on the site. That is an asset Harris Street has in that people are not offended by the notion of additional housing. I would love to create an art space within the building. The size of that space will depend on, as markets conditions change. We're thinking of a 700- square foot area that would be an artist studio space.

Commissioner Habbab – I had a question about the landscaping. Are those shade trees on the sidewalk?

Ms. Schlein – I believe that they are shown conceptually as a medium or an ornamental. In the back, they are clearly shown as shade. We are going to comply with the ordinance and with what we must provide along the street frontage.

Commissioner Habbab – You mentioned 'to help make Charlottesville a walkable and bikeable city.' It would be nice to have those improvements on that site. Most of the sidewalk addition is in the curb cut for the parking. I was wondering if you considered some kind of textured either stamped concrete or raised sidewalk to reinforce the pedestrian access.

Ms. Schlein – At this phase, we haven't considered that. That is a very good consideration. We will work this out with the city engineer and the traffic engineer at the site plan phase. It is whether they would permit some type of material or any type of texture variation in the city right of way. I don't think that is permitted by the city design standard since the sidewalk is in the right-of-way itself. The pedestrian connectiveness is provided in the right-of-way. Any type of crossing over our entrance would be within the right-of-way. That is a very good point and a great consideration. That would be something if we were to do a texture finish, we would need to get approval from the city engineer.

Commissioner Lahendro – The drawings show willow oaks for those trees in the back yard.

Commissioner Russell – With the commercial space, is it intended to be in the street front?

Ms. Greer – It would be towards the rear and encompass the rear yard as a sculpture garden.

Commissioner Stolzenberg – I believe that since there are no setback requirements, you're not subject to the street tree section of the code. I hope that you put street trees there and if possible, one large canopy tree. The building next door has a great canopy tree. It would help the walking experience along Harris to keep that going. My question is about the massing sketch. I see that it has a nice-looking, old-style façade along Harris. It has the rear step back, which seems silly and wasteful of good, possibly buildable space. Is that a result of hitting up against that 64 DUA limit? Would you consider larger units or more commercial space to make that viable to build out?

Ms. Greer – The units are 2 bedrooms. The units are large. I am not opposed to completing that floor. I feel ambivalent about it.

Commissioner Stolzenberg – I suppose that the problem would be that you would need, if you added a 3rd bedroom, you would hit up against additional parking requirements.

Ms. Greer – The parking requirement is the issue.

Commissioner Stolzenberg – We are planning on waiving one of those. I would probably be open to more. With square buildings, when it is a rear setback, that doesn't help with any visual impact on anything else, like what we talked about with front setbacks. It is less energy efficient. It is more prone to leaking. It is better to have a nice simple box.

Ms. Greer – I concur. If we were to increase the commercial space, we would increase the parking necessity. If we were to increase the residential size, we would also cause more parking to be required. The parking restrictions are the driver of the shape of the building. If that was something that you felt strongly about, squaring it up, with the anticipation of future parking reductions would certainly be something that I would be open to. When I went to UVA, I didn't have a car. I lived far from Grounds. The idea that every person is going to have a car doesn't seem realistic to me.

Commissioner Stolzenberg – I wouldn't say that I feel strongly about it.

Commissioner Russell – Is it not possible to have more of a street setback to allow for larger street trees and somehow adjust that ratio?

Ms. Schlein – From a site design standpoint, it was just the kind of relief off the rear setback. From a site consideration, I don't see an issue with shifting things back a little bit or reversing the kind of step back.

Commissioner Stolzenberg – The suggestion is more that by making the building a box, you could reduce the footprint and add some extra front for setback. It occurs to me that might reduce the space for parking.

Chairman Solla-Yates – Mr. Haluska, can you confirm the alley changes?

Mr. Haluska – Not with a 100-percent certainty. I vaguely recall that alley closure. It was handled by something that would go straight through the attorney’s office. That process has subsequently changed. The reason why it still shows up on the map is that even though you close an alley, until you move your property line and vacate your old property line, there is no cause for the GIS people to redraw those lines. That would be the reason why.

Chairman Solla-Yates – Can you clarify the canopy tree issue?

Mr. Haluska – Commissioner Stolzenberg is correct. If you are subject to a setback of zero feet or a build-to line of zero to ten feet, you are not required to have street trees. Street trees, per our code, if they are on a plan, you should endeavor to have large canopy trees. If you are required, that is the requirement. However, we do permit reducing to medium in the case of obstructions overhead. If somebody would like to provide them, there is the availability to do so.

Chairman Solla-Yates – Are there obstructions in this case?

Mr. Haluska – I don’t believe that there are any overhead power lines in this situation. That is not the only consideration. One of the other considerations is soil volume, whether you have an adequate planting area for that tree to thrive.

Commissioner Stolzenberg – Could we add a condition comparable to the one that we added for 1000 Monticello in saying that trees should be provided at least in conformance with what we have seen in the application?

Mr. Haluska – I believe so.

iii. Public Comments

No Public Comments

iv. Commission Discussion and Recommendation

Commissioner Stolzenberg – I have no qualms with any amount of parking reduction. If they were to add more useful floor area, that would trigger additional parking requirements. I would be very happy to allow reductions for those as well. There really aren’t any neighbor residences nearby, who would complain about on-street parking. With industrial zoning, I think about having industrial zoning. It goes in two ways. We need to protect industrial zoning in terms of having places for those blue-collar jobs in our city and our community. It is a good point that many of those uses are compatible with residential nearby. This is a small enough parcel. It is already residential. I don’t see a huge impact on the availability of that potential industrial space. It is something to consider generally. The more interesting thing about the concept of industrial zoning in this area is the flip side of protecting residences from industrial uses, which people say is the reason for zoning in the first place. While this is the IC zone and not the MI zone, and supposed to be for more of those light industrial uses that are not as noxious. It also happens to be host to the most noxious and heavy industrial use in the city right across the street: the concrete plant spewing out fumes, making loud noises, not a pleasant place. It puts the lie to the idea that zoning is there to protect residences from these potentially harmful uses with negative externalities.

Multi-family residential is by right in this zone. We're allowing a couple more units. That use is already there. To potential renters of this place, they know it is there. They know that they're going to be across the street from this loud, smelly place. If they're willing to do it to be a half block away from Ace Biscuits, that is their prerogative. We should think about what that means for the nature of zoning itself as we undertake this upcoming zoning rewrite and what we are protecting who from. Is it protecting people from potential harms? Is it protecting people from not having scary apartments that they don't like near them? The big advantage of Harris Street is that there is no one around to fear these apartments.

Commissioner Lahendro – I know this street well because I live in the neighborhood. I have benefited many times from the concrete plant across the street, which also sells stone and materials. To have power engine repair place, I have used that many times. We need these uses. We're losing them. I question the vision of seeing Harris Street become a walker-friendly, more pedestrian, and family-oriented place and suggest building a building that has no street trees and nothing but an entry into an apartment building. To have buildings surrounding this one that are also aged, I could easily see them being combined. We need different size lots for the kinds of industrial uses that are going on there. I am disappointed with this application.

Commissioner Russell – I would support housing over mini-storage any day. I understand that this is a by right use and an increase in density. I don't have any major opposition to this application.

Commissioner Palmer – I hear what people are saying about losing an industrial kind of use on this property if it is developed as residential. It is interesting that it has the parking underneath, which is great. In a future where cars are not needed, that could be repurposed for some sort of additional space to support whatever the commercial space on the bottom becomes. You might have a little bit of flexibility in the future.

Chairman Solla-Yates – The comment that the parking requirements are driving the design hurts my brain.

Motion – Commissioner Mitchell – I move to recommend approval of this application for a Special Use Permit in the IC zone at 923 Harris Street to permit a mixed-use development with additional density with the following listed conditions.

- 1. Up to 62 dwelling units per acre (DUA) are permitted on the subject property.**
- 2. The height of the building may not exceed four stories above a floor of structured parking. The overall height of the building shall not exceed 50 feet.**
- 3. The required parking for the project shall be reduced by one space for a requirement of seven on-site spaces, subject to any applicable reductions in the City Code.**
- 4. Requiring a minimum of streetscape trees as shown in the conceptual landscape plan.**

Second by Commissioner Stolzenberg. Motion passes 5-1.

The meeting was recessed for five minutes.

- 3. ZM22-00001 – 415 10th Street Northwest (Old Trinity Church)** – Landowner Dairy Holdings, LLC (the "Owner") has submitted an application seeking a Rezoning for approximately 0.188 acres of land identified within the 2022 City real estate records by Real Estate Parcel Identification Number 040046000 ("Subject Property"). The Subject Property has frontage on 10th Street NW and Grady Avenue. The application proposes to change the zoning district classification of the Subject Property from R-1S (Residential Single-Family) to B-2 (Commercial) subject to certain proffered development conditions ("Proffers"). The Proffers include: (1) All non-residential uses allowed under B-2 zoning, other than Art Gallery, Auditorium, Houses of Worship, Club (private), Music Hall, Educational Facilities, Technology Based Business, and Offices, shall not be permitted on the subject property, and (2) No additional vehicular ingress and egress to the subject property. The Comprehensive Land Use Map for this area calls for General Residential which recommends up to

2.5 stories in height, up to 3 units per lot (or 4 units if the existing structure remains) and additional unit allowance depending on zoning allowances. Information pertaining to this application may be viewed online at www.charlottesville.gov/agenda. Persons interested in the Rezoning application may contact NDS Planner Brian Haluska by e-mail (haluska@charlottesville.gov) or by telephone (434-970-3186).

i. Staff Report

Brian Haluska, City Planner – This is a rezoning request for property located at 415 10th Street Northwest. It is also known as the Old Trinity Episcopal Church. The request is to rezone from the current classification of R-1S to B-2 with proffers. There is an existing church on the property. The owner is also the owner of Dairy Central and Dairy Market property. They acquired it at the same time as that property. They have done some repairs to the building. As it is zoned R-1S, it is permitted to be used as a house of worship or a residence. The request from the applicant is to amend to B-2 with the restriction that only a certain number of uses would be permitted on the property. The expansion of uses would be art gallery, auditorium, private club, music hall, educational facility, technology-based business, and office. All the other uses in B-2 zone would be proffered out. This is a historic property. There is a document in the staff report that talks about the history of the property. As it is currently zoned, there is no restriction on the demolition of the structure. The applicant has repaired pieces of it. There is no short-term intention of demolishing the building. The applicant's narrative talks about utilizing the building for event space. There have been several comments from the public, including a letter from the Historic Resources Committee about the potential for an Individually Protected Property. An Individually Protected Property is a single property that is designated as historic and falls under the purview of the BAR for design review and the restriction on demolition. Any building under the BAR jurisdiction must get BAR approval prior to demolition. That would be a way to guarantee the preservation of the building or some public process prior to a demolition versus the current process. The applicants have indicated their willingness to do an IPP. Their only concern was the timing of things. An IPP rezoning would have to be noticed. The most likely way to do that would be to amend this application, defer it tonight and amend this application to include IPP designation re-advertise it for a July public hearing, and go forward in August. That would delay them a little bit.

Another element that Commissioner Mitchell mentioned in the pre-meeting was the community benefits agreement. It is frequently used in rezonings and larger developments. The developer reaches a binding agreement with the adjacent neighborhood or residents about aspects of the development that will, in some way, benefit the surrounding neighborhood. It is not something that we have used in Charlottesville. In larger cities, those agreements are a necessary step prior to consideration for a development. They're often something that is discussed and debated in a public setting. We cannot require these things. We cannot request a proffer that would vest one of these things. It would be at the discretion of the applicant whether they would want to provide that in this matter. That is an idea that has come up in public conversation about this project.

Commissioner Mitchell – It is my hope that this building/edifice can remain undisturbed. The way it looks and feels will not change forever. I like the idea of chatting more about the IPP. There is no legal restriction, even under the new zoning, that prevents them from razing the building and repurposing it based on the new zoning.

Mr. Haluska – That's correct.

Commissioner Mitchell – They are still bound by the proffers if they raze the building and repurpose it. If they sell the building and repurpose it, the new owner is still bound by the proffers.

Mr. Haluska – That's correct. Any proffers that are approved as a part of a rezoning ordinance are a part of the land. They go with the land. They don't come with the owner. The only way to remove the proffers is that in

some of these proffered condition on rezonings, if we're pursuing a general rezoning in the future as a part of our zoning map rewrite, that is an issue that will need to be considered at that time. If you do a general rezoning and sweep all the proffers aside in that situation, how do we maintain those in this situation? That would be a situation where the proffers would be vacated. Lacking an action by City Council to do something like that, any modification of the proffers would require the same process that we're going through to establish them: a public hearing notice, all those elements.

Commissioner Mitchell – What does it take to get this property designated a historic site? I think you're suggesting the IPP is a quicker and better way to do this.

Mr. Haluska – There are two ways to do it. What we're most familiar with because it generates the most headlines, is when we're creating a new historic district. There has been a survey. We have outlined the bounds of an entire area that is going to be designated. There are several of them across the city. If you look at our map, there are single properties that are designated because the building on them is of note and we want to preserve those. In this situation, I would probably defer to Jeff Werner (City Preservation Planner) about the suitability. There have been surveys in this area. There is the question of whether it would be included in a district in the future, the time of that, if it was prioritized by City Council. The applicant has expressed a concern about the length of time. They would like to get this building into use as an event space. The IPP process would be the quickest way of doing that.

Commissioner Mitchell – The objective is to preserve the building. The IPP process will preserve the building.

Mr. Haluska – It creates an additional step to demolishing a building. There is an additional body that would have to weigh in on that and approve it. An IPP designation also can bring changes to the building. It still must go to the BAR.

Commissioner Habbab – With the mechanism to get a property designated as an IPP, is that something that the applicant must start? How does that work?

Mr. Haluska – Ideally, the applicant will come forward. It is not a necessity. The City Council ultimately retains all the ability to rezone property. The City Council with the recommendation of the Planning Commission or BAR could entertain a rezoning. Ideally, the applicant and the owner are on board.

Commissioner Lahendro – As far as you know, we're talking about all 3 buildings.

Mr. Haluska – It is the entire parcel.

Commissioner Russell – It sounds like we are in favor of that. What do we do if the rezoning would be re-submitted? What are we trying to achieve out of this conversation?

Mr. Haluska – There are two points in my opinion. One is the statement that is now coming forward. The preservation of the building is important and the additional uses that are being proposed by the applicant would only move forward with a recommendation of approval with the Planning Commission if there is some mechanism by which the building is going to be preserved. You haven't explicitly said it, but it is implied at this point. The other one is if there are any other concerns with this increase in uses. The IPP issue is paramount. If that was to be dealt with by the applicant, are there other concerns from the Commission that you want brought out?

Commissioner Russell – There are concerns of seeking buy-in and endorsement from the community. We have heard a lot from neighborhood associations. It sounds like the agreement seems like it is a little bit out of our capacity. Is there some middle ground?

Commissioner Stolzenberg – When you said the ideal situation would be the applicant coming forward to request an IPP, they don't want to do it as part of this application because they want to get this done? Wouldn't they have to submit a new application and pay all the fees for ZMA?

Mr. Haluska – Yes if they were to go that route. At any point, the applicant can request to pause the application and amend it. The main issue with dealing with that tonight is that it has not been properly advertised and noticed.

Commissioner Stolzenberg – I imagine that they don't want that because they want to get it through. If they are Ok with doing it, wouldn't they prefer if we did an initiation? Maybe they could do an informal request.

Mr. Haluska – I am not going to speak on their behalf.

Commissioner Mitchell – Are you recommending that we consider this application and make a recommendation? How do we guarantee that we get them to do the IPP?

Commissioner Stolzenberg – They don't have to initiate it. It is like a regular rezoning. We could initiate it, or Council could initiate it. It sounds like their preferred path is that we get this approved as soon as possible so they can start having events. They are Ok with it being an IPP. I am sure that they are not thrilled with the idea of having to go to the BAR for everything. I would assume that they don't want to submit a whole new rezoning application, pay all the rezoning fees again just to get all these restrictions off their property. For us, are they potentially going to demolish the property in between us approving this rezoning and us finishing the IPP designation?

Ms. Creasy – The plan is for them to try and work those applications simultaneously. I am not going to speak for them. There is a concern that has been provided from the community and other aspects. I believe that they are aware that concern is a big concern. There is a way to address it. It appears that they are willing to move in that direction.

Councilor Pinkston – The notion is let them shift from R-1S to B-2. The B-2 is limited to only being art galleries, auditoriums, and houses of worship.

Councilor Payne – I believe that one of the proffered conditions that would still be allowed is a technology-based business. I am curious what falls underneath that. I am more interested to see what the applicant's intended use is.

Mayor Snook – Is there a statutory definition?

Commissioner Stolzenberg – Technology-based business refers to a business such as computer component assembly, computer software development testing, financial service company, graphic design firm, research lab or other research facility, and similar businesses where the use has no more than a minimal adverse environmental impact including noise, odor, light glare, traffic, or vibration when measured at the nearest property line. All operations, including storage are housed completely within an enclosed building.

Commissioner Lahendro – Can we hear from Mr. Werner regarding the process for an IPP?

Jeff Werner, Preservation Planner – Dairy Market is an IPP. Stony Point is very familiar with the process. They have worked with us on all the things that went on there. I live in an IPP. I am convinced that a lot of them were old buildings that the city, (the 80s and 90s), and didn't want to fall over. There is the state and national designation. There is the local designation. One does not require the other. We did do the 10th & Page Neighborhood survey. There was a recommendation for a national register historic district. It is eligible for that listing. That would take the next step of formal nomination. That is a big step to take. If there was ever consideration of a local district, I could say that nothing from our work there has led us to pursue that. That is similar with the Rose Hill Neighborhood, which was surveyed back in 2018. There was a little interest, but not enough. One of the results was that we did get Burley listed on the national register.

As far as an IPP goes, we have ADC districts and the conservation districts. The Individually Protected Properties fall under the ADC districts. That is the more rigid design guidelines and regulations. The step would be for you or Council to initiate the rezoning. It would be amending the zoning map and the zoning text to add another protected property to the list. It would be referred to the Board of Architectural Review for a recommendation. It would come to you all for a recommendation that goes to Council. It is their decision. It is not a BAR or Planning Commission vote. That is some of the discussion we (staff) have had the last couple of days. One idea was that you all could ask the BAR next Wednesday night to offer a recommendation. It is not the BAR voting to approve or deny something. It is making a recommendation based on a list in the documents that you have. Ideally, it would be an initiation from you all such that I could take this to the BAR on the meeting on July 19th. The issue is that you meet the night before. I don't know whether you all could ask the BAR for a recommendation. Maybe we give it in July so that I have properly advertised. I don't know how we get that to the BAR for that first step in the recommendation process. After that, everything follows the same process as the current rezoning that you are discussing.

Commissioner Mitchell – We cannot ask the BAR tonight to make a recommendation next Wednesday.

Mr. Werner – I think we could. There would be some hesitance to do that. A lot of it would be where the applicant is on this.

Commissioner Stolzenberg – Are you suggesting that we need the approval of the applicant because it is going to be a modification to this rezoning? It is a separate initiation. We should probably ask them what they think.

Mr. Werner – In the code, it is the BAR making a recommendation on the eligibility. Does this make sense or not? The last time the city did this was 2007/2008. This property was on the list of about 100 different properties. Ultimately, I think they ended up with 10 or 12. Council had asked the BAR for a recommendation of properties. It wasn't informal. It was Council asking the BAR for a recommendation. There would be a little discomfort with bringing something to them. We're meeting next Wednesday because of the holiday. It would have to have some real assurances behind it that it is supported by the people here. The applicant is interested. If you're going to bump it to the July 19th BAR meeting, you need to figure out when you're going to have that conversation to officially ask. When does Council next meet and let them request a recommendation from the BAR?

Commissioner Stolzenberg – Recognizing that the national district is different than a local district and the study was for the national register.

Mr. Werner – We have had a policy of, if we're going to evaluate areas, let's get the formal surveys done. The process is done through the Department of Historic Resources and their protocol. It was a place in the city that we hadn't reviewed. The city's decision to establish an IPP goes beyond whether this has state or national significance. Its story is a local story. It is the story of that congregation. It is more compelling than the

buildings. They're fascinating. It is a story that is important to this community. It is completely appropriate to acknowledge it regardless of where it might be with a state or national designation.

Commissioner Stolzenberg – When we did that study, this property was recommended to be contributing, but not an individually designated property. Was it because it is a local thing?

Mr. Werner – It was recommended as eligibility for the national register of historic places. It was recommended as a contributing structure to the 10th & Page Historic District at the national level. As far as locally identifying it as an individual property, the survey that was done for the Department of Historic Resources was great. I can tell why it should be recognized by the city and for its local reasons.

Commissioner Russell – An IPP doesn't protect the interiors?

Mr. Werner – That is correct.

Commissioner Russell – Do you have any concern with what would potentially be allowed as office or business or any modification to the interior of the church?

Mr. Werner – The BAR only reviews what is outside. I can't have any concerns because of the zoning.

Commissioner Russell – I am not proposing a solution. It would be if a parcel was split, and certain uses were allowed on the parcels and certain uses were not allowed on the church. That might be one way to go about that.

Mr. Werner – The IPP doesn't put a bell chart over this thing. It allows alterations, changes. The BAR reviews them to make sure that they are consistent with the historic character. The IPP designation does not 'freeze' it in time. It doesn't absolutely prevent it from being razed. From what I have heard about how the building is planned to be used, that is how we keep these buildings standing. They have a purpose that is a value to the owner. It is none of my business why they are doing it, but the result is. If they preserve that building and keep it viable, I am all for it. With what goes on with the inside, the BAR cannot be involved.

Commissioner Russell – I am asking if you, as a preservation professional, have any concerns about potential alterations to the interior of the church.

Mr. Werner – I prefer to speak as staff. When as I speak as myself, I take too many down the rabbit hole.

Commissioner Russell – We keep talking about weddings at the facility on the property. Where is that in the uses allowed under the B-2 zoning?

Ms. Creasy – That would be house of worship.

Mr. Werner – The criteria of the evaluation is asking us about the current condition of that building. I don't know. I haven't been in it. I haven't been under it. It probably has some bad spots. There are many buildings in this town that look great. I don't want to presume to know what is going on with that building structurally. That is one of the questions. That is something that the applicant or owner would have to share some information. The most important thing for you all is if you want to move this forward is determining that. At what point and in what way do you get this to the BAR for a recommendation.

Mr. Haluska – A house of worship is allowed by right in all the districts. The element of that, in terms of what constitutes an acceptable assembly within a house of worship, a wedding would probably be on good, solid ground. There are certainly the religious land uses, an institutionalized person's act that we must abide by where

a religious assembly of any kind, if we would permit assembly for anything, we must allow a religious assembly. I think what the applicant is striving for here is the auditorium use, which broadens out to non-religious events. If they are going to hold concerts, I think that they want to be on more sound footing zoning-wise. As an event space, that opens up a lot of events that they could potentially host in the facility.

ii. Applicant Presentation

Joe Wrege, Applicant – It is our intent to defer and add that IPP designation to the request. I know there was a lot of conversation about what we were going through. That is the owner's plan currently.

Let's start with the IPP. This is something that we're all looking towards doing. The way that this all generated for Gary Holdings LLC was that we were alluded that without having a person living in the parsonage next door of a religious aspect, we would not be able to hold weddings within the property. There was also the case of any form of special events being able to hold it as an auditorium, music venue, a community gathering space. That was important to us. It was something that we have been in communication with the 10th & Page Neighborhood Association, as well as some of the Venable Association and Rose Hill Association. This is something that is important to us. A lot of what we were hoping to do with the entire Dairy Central area is to bring forth a strong sense of community and to be able to appropriately bring everybody together in some way, shape, or form. The R-1S zone did not allow us to do everything that we were hoping to do. We applied for a rezoning to a B-2 facet. With the question that you all had concerning a technology center, most of what we're looking for there is a co-working space. That was the thought process of Chris Henry and the other owners involved with this property. That is mostly the designation that they are looking for in that factor. With renovations that have been done up to this point, I was the project manager on this one. What we mostly tried to do is repair the façade. We went to the interiors. We tried to update the mechanical, electrical, and plumbing systems. We added code compliant bathrooms. We made the entire church and rear prayer center into an ADA compliant through space. We added additional lighting. We tried to keep as much of the existing structure as humanly possible. The rear wall in the back was starting to cave in. We re-supported that and built it back. We exposed the rafters in the parish center to give it a little more vaulted ceiling feel in there that replicates the same as what the church aspect looked like and reglazed the windows and the glass throughout to bring all that beautiful, natural light in there. If any of you would like to go in there before we make a final decision, don't hesitate to let me know. We would be more than happy to show this to you. It is a beautiful space. The shame with the beautiful space that we have is that we haven't been able to utilize it. The big thing for us is to do what we need to, both for the community and for ourselves to be able to utilize this space.

Zach Zingsleim, Applicant – Having been able to see the inside and the work that Joe and the team did, it is really stunning. I echo Joe's sentiments of being a place of engagement and connectivity with the community.

Commissioner Mitchell – What do we need to do to accept their request to defer? Do we have to vote on accepting that?

Ms. Creasy – We should be Ok with the request to defer. We are scheduled for a public hearing. We might have people who are awaiting that. We should give them the opportunity.

Commissioner Habbab – I have a question on the private club use designation, and if that was intended for the co-working space. It would be a shame to close it off to the public.

Mr. Wrege – We would not be trying to close this off to the public. Private club is mostly looking like a co-working space and being able to utilize it during the day for people who would like to be able to better themselves in some way.

Commissioner Lahendro – Is there any interest in developing an agreement with the community for their use of the building at lower rates? Would that be something that you would be willing to pursue?

Mr. Wrege – Absolutely. Currently with the 10th & Page community, we already have agreements for their neighborhood meetings. They hold them down in the brick cellar in the event space at Dairy Central. The hope was always to be able to hold these within the church. That is going to be something that we are going to continue to do. I know that the owners have been willing to nurture some form of agreement with a discounted rate for neighborhood association or neighborhood events. If we are doing larger events, the potential of us sponsoring those events for people that are in need. We would do it all on a case-by-case basis. As for a written agreement, I don't believe it has been anything that we have had to pursue in the past. I do not anticipate it would be something that we would be afraid to get into depending on what the terms of the agreement would be.

Commissioner Lahendro – With the parsonage, what is your intention about reuse of that building?

Mr. Wrege – Currently, the parsonage is for rent. Since we did the renovation in 2020, we have had 2 different tenants that have moved in and out of that unit. That will continue to be our designation for that. We proffered out all other potential residential units except for the existing parsonage.

Commissioner Lahendro – You did some repairs to the parsonage as well?

Mr. Wrege – That is correct.

Commissioner Lahendro – The interior picture of the church that I saw in the materials for tonight showed an exposed frame wall at the chancel end. Was that because of the work that you were doing at the time? Has the rear daws and those fittings been removed?

Mr. Wrege – That was because of the work that we were doing at the time. We had to remove the stage above. There was no finished material on the back side. We came back and tried to remake what the existing chair rail and paneling on the back side were. We added a message board above to finish that aspect out. The other items that we included in that area was HVAC returns. We removed them from the floor. We put them into the side wall that goes through the breezeway space.

Commissioner Lahendro – The items that show up in an older photograph, rear daws, and screens around the choirs, carpenter gothic woodwork was gone when you purchased the building.

Mr. Wrege – It was still existing when we purchased the building. There was a bit of an infestation in some of it. That needed to be removed.

Commissioner Stolzenberg – As I recall from the Dairy Central meetings, this whole discussion of nonprofit meeting space and discounted space came up. You guys have a meeting in the basement now. Was that a proffer or condition of that SUP? Was that a formal agreement?

Mr. Wrege – To the best of my knowledge, that was an informal agreement. I have nothing in writing that formally states that. I have several emails that I can refer to from a legal standpoint that say that this is something that we are willing to do and continue to do so.

Commissioner Stolzenberg – That generally makes sense. The Planning Commission and Council tend to like having these things written down. If property changes hands, that is less likely for Dairy Central and more likely for the random house and church across the street. It would be nice to have that sort of thing written down.

Looking at the use matrix for B-2, technology-based businesses is by special use permit. It would continue to be by special use permit. We can't rezone our proffer into being by right.

iii. Public Comments

Emily Dreyfus – I was hoping to hear from residents of the 10th & Page neighborhood. I have talked with several people and have heard concerns about the impact that Dairy Market has had on their neighborhood, especially related to parking. I want to raise that. I don't know if the original plans made it clear that Dairy Market was going to charge for parking. That has had the impact of putting cars from UVA students and others visiting the shops that they're mainly in the 10th and Page neighborhood. That is making life difficult for a lot of the residents when they try to come home and find a spot. I would like to know what the communication is with the neighborhood association and whether this topic has come before them, what their feedback has been, and what the arrangements are for donating space to the neighborhood association. That would be a positive step.

Shelby Edwards – I would like to reiterate what Ms. Dreyfus has shared. I am the executive director of Charlottesville Public Housing Association of Residents. PHAR works in collaboration with West Haven residents. I don't think that we have been made aware of this. I am not sure what involvement there has been with the neighborhood. I encourage some community involvement. If we could talk more openly about how we're going to use the space, perhaps it is donated to the community for free use. I was not in leadership during the discussions of Dairy Market being built. I would be interested to hear more about what community engagement looks like.

Carl Schwarz – Thank you to the applicant for voluntarily offering the IPP status. I want to mention that the applicant did come to our neighborhood association meeting. Our meetings are not well attended. We had 10 people at that meeting. It was announced in the neighborhood Facebook page. It was emailed to several people. There was a community meeting about this. We meet in the basement of Dairy Market. Chris Henry has attended several of our meetings. There is communication. There are things that the neighborhood would like. There are plenty of things that we would like to see. We have been meeting with them. This was one of the things that was requested at that meeting.

iv. Commission Discussion and Recommendation

Applicant will defer the application.

Commissioner Mitchell – I would like to know the next steps. The applicant has deferred.

Mr. Haluska – With the applicant request to defer, they can amend their application to alter that. They can alter the proffer statement or whatever details of that application they want. We will give them a deadline by which we need to receive any amended documents. We would advertise it for a July public hearing and repeat the process that we have done tonight.

Mayor Snook – On Friday, the Historic Resources Committee sent an email to me and you saying that the Historic Resources Committee had asked that the Planning Commission and City Council initiate the process necessary to establish 415 10th Street Northwest as a locally designated historic property. I assume that is the equivalent of an IPP. What is that process?

Mr. Haluska – In the zoning ordinance, if you go to the conditional zoning section, there are 3 ways to start the rezoning of a property. The one before you is item 3, which is the most common one, which is an owner of a property or contract purchaser requests a change in zoning and they submit a rezoning application. The Planning Commission, by motion, initiate a rezoning. City Council, by resolution, can initiate a rezoning. In

both of those cases, we have an initiation that comes before the Planning Commission and City Council. They discuss starting the rezoning process.

IV. COMMISSION'S ACTION ITEMS

1. Preliminary Discussion – Lochlyn Hill, Block 4b

Staff Report

Mr. Haluska – This is a preliminary discussion regarding Block 4b of Locklyn Hill. I did forward a memo that was not in the packet that hopefully explains this item a little further. The concept plan in front of you shows Block 4b of Lochlyn Hill as being developed in the form of 2- 24-unit apartment buildings. The applicant submitted a preliminary site plan to the city showing 11 single-family detached houses, which led city staff to indicate that this did not comply with the zoning of the property. That led to the discussion coming before you today. One of the avenues that the applicant would like to pursue is whether or not the Director of Neighborhood Development Services, in his capacity in the code to amend an SUP or grant an amendment of an SUP or PUD, if there is a plan for this block that the Planning Commission would support that and direct the Director to approve. One of the items that we (staff) have thrown out there that might be appropriate here is whether some of those missing middle types that we talk about, not single-family detached but not an apartment building. The applicant can tell you some of the difficulties around potentially trying to implement the plan that is approved on the block. This is a discussion and an opportunity to bring the issue to the Commission and see where our opinions are on potential changes to the block.

Commissioner Russell – What did you say are the density or number of dwelling units proposed?

Mr. Haluska – It depends on the section of the code that you are looking at. In the code of development, with the PUD, the applicants provide a code of development and concept plan that dictate how that project will be developed. Block 4b, in its illustrative drawing, shows 2 apartment buildings, 24 units each, and 48 total units. There is another description of Block 4b, a narrative description that talks about multi-family apartments. There is a use matrix. That use matrix shows all residential types being by right. There is a table that identified the different blocks and the number of units, that minimum and maximum would be permitted in each of those blocks. The minimum number of units for Block 4b was 15. You don't have a unified indication across the entire concept plan. There are different pieces that potentially permit different things. Getting some clarity on that is part of the idea.

Commissioner Stolzenberg – There are 2 matrices in the code development. They both have detached in townhouse by right in all of them. One of them only has multi-family allowed in Block 4b. The other has multi-family allowed in 3 and 2. Do we know what one of those is right?

Mr. Haluska – I believe there are 2 documents in there. We have gone through this process again, once before. It shouldn't contain the original concept plan that was approved (I believe) in 2012. An additional one was approved in 2015. That amendment that occurred several years later was addressing part of Phase 2. There was a cottage block that was identified that the applicant felt they could not develop as they had shown it. They amended the PUD into something that they could. They did touch other parts of the concept plan. I believe that use matrix was amended. That might have been when they made the change.

Commissioner Stolzenberg – Do we think the second one is the current one?

Mr. Haluska – The second one would be the correct one.

Commissioner Stolzenberg – Since that one added multi-family to 3 and 4a, did we get multi-family in those blocks?

Mr. Haluska – I will defer to the applicant about the overall build out. I don't believe there is anything specifically multi-family unless you are counting townhouses. Keep in mind that 3 or more units in a building is considered multi-family in our code.

Applicant Presentation

The applicant played a video of the project as part of the presentation.

Frank Stoner, Applicant – A portion of this development is in the city and a portion is in the county. The largest portion is in the city. That is what you're looking at. The project has taken 24 years to develop, and we got our code development approved in 2012 and amended in 2015. This is a project that has taken a long time. We spent a lot of time trying to get it right. We built a bridge over Meadow Creek. We have an incredibly diverse amount of housing. We have 13 Habitat families living in our neighborhood. There will be another two coming with Phase 4. I believe that we have 15 accessory dwelling units. The property that we're talking about (4b) is right here. It is up against the golf course. It slopes from back to front. This gives you an idea of what the community is like. The principles that were important to us when we created the code were: We wanted it to be compact and urban-We have achieved that. We are at a net density of seven units an acre. We wanted it to be diverse in every way. We have achieved that as well. We have all the housing types that you just saw. We are incredibly economically, socially, and ethnically diverse. It is an interesting community. People move there because it is so diverse. We wanted to focus on high quality community spaces. Lots are small. The community spaces were valuable. We wanted to make sure that we did them right. We have another park that will be on the park space that will be on Meadow Creek. There is a greenway that we're waiting for the city to build, which will hopefully be done this year. We wanted to create opportunities for small, local builders. What happened in 2007 and 2008 is that small, local builders were crushed. Today, four builders control over 80 percent of our market. They control it because they control lot inventory. They are production builders. They build the same thing repeatedly. They are good at what they do. They are cost efficient. For creative, small, and local builders, they were excluded from the market. Because we wanted a diverse community, small and local builders became an important critical aspect of our success formula. We have had 8 local builders in Lochlyn Hill. They built different types of products and different architecture. That is the essence of what Lochlyn Hill is. We have heavily relied on them, and they have relied heavily on us. They don't have many opportunities in the city or in the county. For the most part, they are excluded. It is difficult for them to find lots. When we got into Phase 3, there was a lot of demand. We filed an application for Phase 4, which is in the county. That process has taken 2 years to get approval. In the meantime, we have builders who don't have lots. We looked at this block. We thought about our original vision and where we are now. A couple things occurred to us. When I look at the neighborhood and if you drive through the neighborhood and look at that site, and you think about what a 4-story building will be, it feels out of scale with the neighborhood. It is at the back end of the neighborhood. From a traffic perspective, it is not ideal. We put it in the original plan because we knew if we didn't put multi-family in the original plan somewhere, we would never get it approved later. If we had 100 people living in the neighborhood and we wanted to build 48 units, you can imagine what that would look like. Our perspective is that conditions have changed. The market has changed. We favor trying to figure out how to build that missing middle. We have considered the possibility of a small multi-family or townhouse block at the end of the street. We feel strongly that 2- 24-unit multi-family buildings is out of scale. It is not less profitable. One unintended consequence is that it starves our small local builders that we're depending on to help us get through Phase 4 and the diversity that we value. We put them in a difficult spot. What I ask today is that you consider the bigger picture, that you look at the quality of what we have constructed, you look at the diversity that we have built, and I welcome the opportunity to work with staff to establish a streetscape for this final block that everybody is happy with. I would appreciate the opportunity to do it in the way that makes the most sense in today's market.

Commissioner Lahendro – Are you proposing single-family detached?

Mr. Stoner – We are proposing a mix. We would probably do a block of townhomes at the bottom of the hill and a series of single-family. We hired 2 different architects in town to help us design houses that would work. These are small, tight lots. The grades are difficult and challenging. It would give us that mix. We have 3 townhouse blocks in the neighborhood. We have a 4th townhouse block in Phase 4. We intentionally separated them so that you didn't have a townhouse section and a single-family section. They are all integrated seamlessly. That would be our intent here, not to build a whole street out of townhouses.

Commissioner Habbab – In the staff report, there was mention of an affordable housing proffer. What is the impact to the affordable housing units by decreasing the 2 apartment buildings?

Mr. Stoner – If you look at the original proffer, by today's standards, we are 15 percent affordable. Most of that affordable has been achieved through 'for sale' housing. We originally committed to establish a housing trust fund, which we did. We committed to funding with \$150,000. We ended up putting \$300,000 into it. We partnered with Habitat for the 13 affordable units that we have in the neighborhood so far. They will manage the housing trust fund because it is all Habitat residents. The impact of removing the 48 units from an affordability standpoint, if you look at the proffer, is almost irrelevant. That was not a factor in the decision. I am a big affordable housing believer.

Commissioner Russell – Is it correct that there would be no multi-family in the development?

Mr. Stoner – There is a possibility that we could either do townhomes or we could do a small multi-family building at the bottom of the hill. We feel that the scale of 48 units is inappropriate.

Commissioner Russell – Have you figured out the trail connectivity to get from the Meadow Creek bridge through the neighborhood, and into Pen Park.

Mr. Stoner – That is another challenge on this block. The RTF trail runs behind these units. We must fit the trail in, and we must fit in whatever buildings go in there as well. It is tight. There is a water line easement back there, which makes it more challenging.

Commissioner Stolzenberg – It is not that this is financially infeasible. It is out of scale.

Mr. Stoner – That is our perspective.

Commissioner Stolzenberg – When staff says that you submitted a proposal for 11 detached units, is that what you are now proposing?

Mr. Stoner – What drove the decision to file for the 11 units was to get those lots as quickly as we could for home builders. They are out of lots. The road is already there. Utilities can be put in quickly. It would give us the opportunity to deliver lots to them more quickly. That process is taking longer than what we had expected. We believed that we had the right to build single-family according to our code. It didn't occur to us that this would be an issue that would come to the Planning Commission. I understand why it is here. I am not sure what the value of a by right use in a block is if you can't build it.

Commissioner Stolzenberg – You do have the minimum number of units in your code. You could do 15 detached. That wouldn't be here.

Mr. Stoner – That is correct. We have done a book of options that we sent to staff for that block that looks at all kinds of possibilities. At one-point, Stony Point/Design Build was going to do a block of courtyard attached homes along that street. They changed their focus. Part of their challenge for us is our builders don't have the capability to do something that substantial, a set of attached buildings. That is a serious financial commitment for them. That becomes difficult logistically. Trying to support them, trying to find things, from a financial standpoint, will work for them. We need them to stay in the neighborhood.

Commissioner Stolzenberg – Have you considered a set of smaller buildings or breaking up the buildings more? Instead of 2 large buildings, there were 4 smaller buildings. Are your builders not capable of doing anything that isn't single-family?

Mr. Stoner – Our builders are not in the business of building and owning 8- or 12- unit apartment buildings. We would have to get somebody else to build those. These are single-family home builders.

Commissioner Stolzenberg – Earlier you said that you had 4 builders.

Mr. Stoner – We have had 8 builders in the neighborhood.

Commissioner Stolzenberg – I was looking at your website. Is Southern still on there?

Mr. Stoner – Southern only built a townhouse block.

Commissioner Stolzenberg – For other times within your code of development, where you had a denser form of housing, you have been willing to go to a different builder because you must meet your code of development. The zoning law driving PUDs says that one of the points of a PUD is having that diversity of housing types in there. It seems that you have finally gotten to this last selling type that you haven't yet done. It is easier to break that out into detached units. I see bimodal distribution of housing prices in this neighborhood. You have your Habitat units, which are quite affordable. Your detached units are some of the most expensive homes in the city. While it is a good point that this won't affect your proffered subsidized affordable housing, it does seem to undermine the idea of having a diversity of housing types to create a diversity of residents by eliminating the possibility for that kind of middle section of residents, who don't get subsidized housing, but can't afford an \$800,000/\$900,000 house.

Mr. Stoner – We brought in production builders to build what smaller builders couldn't build. That is why Southern came in and built that block of townhouses. Sam Craig built a block of townhouses in Phase 1. During that period, we had a plethora of available single-family lots. We also had cottage lots. One of the comments that was brought up is that we had a cottage block in Phase 2. Because the city wouldn't allow us to carve that up in a way that made building those cottages possible at a density that made sense, we changed our original vision. We built cottages. We have 6 cottages plus 2 Habitat units that sit on that green. We have single-family that wrap around behind it. That was, from our perspective, the best solution, given the circumstances. Those cottages were high 2s/low 3s at the time. It is unfair to say that there is nothing in the middle. There were both townhouses in the 3s and 4s and there were cottages.

Commissioner Stolzenberg – Are those along Bennet?

Mr. Stoner – Those were along Bennet.

Commissioner Stolzenberg – Those are now in the 450 range. Is it fair to say that if your county phase were going faster and you had lots there, you wouldn't be coming to us for this modification?

Mr. Stoner – I don't think we would have come with the modification we came with. We were feeling pressure to get lots for these builders. I am open to conversations about hybrid versions of what we're talking about. I am committed to affordable housing. The city needs housing of all types. There aren't a lot of opportunities for housing at the other end either these days. Lochlyn Hill is a beautifully diverse community, one of the most diverse in the city. We're proud of what we have done. I would like to finish it in the way that we feel is most appropriate and that the people who live there feel is most appropriate. I need some lots. That is what I am asking for.

Chairman Solla-Yates – I am hearing many different components. I appreciate your transparency on the issues here. It is not simple. It sounds like there is a financial component here. I am reminded that we have a strategic fund for economic development so we can keep small businesses active and thriving in the city, like these 8 buildings that you mentioned. I am wondering if that money could be activated to help solve this problem temporarily. It seems like a possibility.

Mr. Stoner – I don't know about that. I would assume that builders would have to come directly to the city for that.

Commissioner Stolzenberg – Why can't you do 15 detached houses on smaller lots? Are you coming up against a minimum lot size?

Mr. Stoner – It gets tight. If you're going to get to 15, you need to attach them. You could do duplexes. There are complications with the grade as well. Aside from being shallow, the grade is constantly moving uphill. That is what makes these smaller modules fit with the terrain better. There could be detached. They could be attached in a duplex form. Part of it is what our builders want, what they need, and what the demand is for. We try to be responsive to what they see in the marketplace and what they need. I would hope that you are sensitive to that. That speaks to where the demands not being filled elsewhere in the city.

Commissioner Stolzenberg – It looks like you have a remaining townhouse block that is undeveloped on the east corner. Do you have plans for that?

Mr. Stoner – We're hoping that for one of our builders. One of our strategies was to have one of these smaller builders take the townhouse block. That is a big nut for that builder. He is trying to pull it off. I don't want to bring another production builder back. I don't want to bring Southern in. Southern wanted all the townhouse blocks. We said 'no.' They wanted to build the same product. We felt strongly that it needed to be something different. He is going to try to pull that block off. I am hoping that might help him bridge the gap here. So far, he has not been able to get a design completed and get funding from a bank to take down that many units at one time.

Commissioner Mitchell – I would love to see more multi-family. I like the idea of having to keep all the family units at the bottom. We can delegate this to the NDS Director.

Commissioner Habbab – I agree with Commissioner Mitchell.

Commissioner Lahendro – I would like to see more units in this area. I am curious why you all selected a site overlooking the golf course for these multi-family large units. I would have thought that would have been more attractive as a single-family detached. It is not a financial issue that you are wanting to go back to single-family detached because it is next to the golf course.

Mr. Stoner – Is it a financial issue? It isn't as much as this builder issue is a financial issue for us. If we lose these small, independent builders, that is a blow. They are not easy to replace. From a capital standpoint, is it

challenging when you're building 48 units as opposed to 250 units. It is more challenging. Costs have gone up. The single-family has been more adept at handling that than the multi-family market. Rents have gone up dramatically because of these cost increases. We don't like that. It is not a great time to build. If we're going to build 2 big multi-family buildings, it is not a great time to build. That is secondary to the other issues, which are from a scale perspective. When we originally put it in, it was an effort. With the site, you could see a multi-family building working. You could see it being desirable being up against the golf course. There were a lot of things at the time that we thought that it might work. We have been at it for some time. I am not making this decision because I am trying to avoid a proffer, or I think that I can make more money. It is really a decision about what we think is right for the neighborhood and best for the neighborhood. I would hope that you give us some deference. We have done a good job. It is one of the most unique and exciting neighborhoods in the city. It took a lot of work to make it that way.

Commissioner Lahendro – There is a reason we have PUDs for the diversity of housing types. I am a little disappointed to see that it is heading back towards a bunch of single-family homes. That gets away from the whole concept and the creativity of a PUD.

Mr. Stoner – Nobody with the city asked us to put those multi-family buildings there. That was our decision.

Commissioner Lahendro – It might have been a factor into allowing or approving the PUD.

Mr. Stoner – I don't think so. It was a different time. If we had put single-family there and tried to go back and put multi-family today, it would have been very difficult.

Commissioner Russell – You're seeing a common theme and getting consistent feedback. It feels like not getting what the community was promised in that original PUD to go back from multi-family to single-family. My advice would be to look for some middle ground. It is a great neighborhood. I can understand why people want to be there.

Commissioner Stolzenberg – To the extent that it would be difficult to add it in today, it would be less difficult for the Planning Commission, Council, and the residents. I know you are getting quite high prices for these buildable detached lots. That is a testament to the quality of the neighborhood that you have built. On the other hand, it seems like the fact that so many people have moved into these nice houses in this very nice neighborhood is driving the fact that they don't want a bunch of apartments down the street. It undermines the intent of the PUD. It is in our code. It is one thing to have detached and attached and some cottages and another to have detached, attached, and multi-family. I am hesitant to say to take all the multi-family out and replace it with detached. There is probably middle ground to be found. It could be as flexible as splitting it into similar lots to what you are thinking for detached but reserving a couple of them to build a product that is something like a 6-plex or an 8-plex. That is much less bulky than a 24-unit building. It fits into the neighborhood, and it provides a big book ending view that blocks the golf course. That provides opportunities for single floor living in a smaller unit in a multi-family building that is going to hit a lower price point. It is not going to be all that financially ruinous for you. If you can try to fit some of that multi-family in, it would be reasonable to allow some amount of detached in the remaining parts. You might have an opportunity with that remaining townhouse block, if Arcadia can't pull it off, that might be a place where you could stick one bigger multi-family building. A blanket approval for 11 detached is undermining it.

Chairman Solla-Yates – It is an interesting time. The costs are crazy. It is hard to get anything done. The demand is enormous. We have the new Comp Plan and the rezoning coming. New types of building types are becoming possible that haven't been possible in a century. We are talking about stacked townhouses and plexes of every kind of description. We don't have builders who can do that. Our code is anticipating builders who can do something that we don't have. This is an interesting place to meet the need. If you could do some of it, that

would be very helpful. It doesn't need to be big apartment buildings; more affordable and more creative missing middle types of homes is what is needed.

Mr. Stoner – We're open minded to somewhere in between. The missing middle is very desirable and difficult to execute but necessary in the city. It seems that there is a consensus that we could work with staff to figure out what that mix is. I appreciate your willingness to accommodate some detached in the block. We think that is important.

V. ADJOURNMENT

The meeting was adjourned at 9:54 PM