

CITY OF CHARLOTTESVILLE
"A World Class City"

Department of Neighborhood Development Services

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January 13, 2017

TO: Charlottesville Planning Commission, Neighborhood Associations &
News Media

Please Take Notice

A Joint Work Session of the Charlottesville Planning Commission and Albemarle Planning Commission will be held on **Tuesday January 24, 2017 at 5:30 p.m. at the Water Street Center (407 East Water Street).**

AGENDA

1. Affordable Housing – RCLCO Report Presentation
2. Rivanna River Project Presentation
3. Public Comment

cc: City Council
Maurice Jones
Mike Murphy
Alexander Ikefuna
Planners
Kathy McHugh, Tierra Howard
Craig Brown, Lisa Robertson

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Introduction:

Below, you will find the Housing Advisory Committee (HAC) recommendations from the *Charlottesville Comprehensive Housing Analysis and Policy Recommendations* report prepared by the Robert Charles Lesser & Company. The recommendations were presented to City Council on November 21, 2016. The full report, and accompanying data, can be accessed via the following links:

Comprehensive Housing Analysis and Policy Recommendations
<http://www.charlottesville.org/home/showdocument?id=37824>

Exhibits for the *Comprehensive Housing Analysis and Policy Recommendations*
<http://www.charlottesville.org/home/showdocument?id=37840>

Background:

On March 1, 2015, City Council approved the use of CAHF funds for use in the preparation of a Comprehensive Housing Analysis and Policy Recommendations report for the City. This report, prepared by the Robert Charles Lesser Company (RCLCO), was completed in January 2016, with findings presented to Council during the February 1, 2016 Council meeting. At that time, City Council directed the Housing Advisory Committee (HAC) to review the report in depth with NDS staff, with the intention of presenting Council with recommendations for short- and long-term policies to increase the supply of affordable housing in the City, as well as highlighting any policy items Council should add to their legislative agenda for enabling legislation. The HAC's recommendations are presented below.

Discussion:

The report completed by RCLCO, provided City with an overview of the local housing market, as well as an examination of the barriers and issues affecting the provision of affordable housing in throughout the City. The research resulted in a number of short- and long-term policy

recommendations related to affordable housing development and preservation. Upon review of the report, the HAC identified several more policy options not proposed by the RCLCO. These additional options are included in the list of recommendations presented here tonight and outlined in the attached table.

The HAC has not ranked their recommendations in order of priority for action. Rather, the recommendations are classified into short-, mid-, and long-term action items. Additionally, each category is further broken down into actions: that can be addressed through zoning ordinance amendments; that staff can easily implement or conduct preliminary research for; which require City Council action to implement; and policy items requiring enabling legislation. The list of HAC recommendations has been reviewed with the City's Legal Counsel and all items requiring legislative action have been properly identified.

Short-Term Recommendations

The majority of the recommendations related to the City's zoning ordinance are activities the City either currently employs or is able to implement under Virginia Code but does not yet do so. Recommended changes to the current zoning ordinance to encourage the development of on-site affordable housing include:

- density bonuses;
- zoning modifications/allowances, such as smaller lot sizes;
- allowing by-right increases in density for affordable units;
- focusing mixed-use/mixed-income housing development in priority neighborhoods; and
- the use of an Affordable Housing Overlay District.

While by-right density increases may require enabling legislation, the other recommendations can be considered for implementation immediately and incorporated into any zoning changes arising from the code audit. Several other recommendations, such as ensuring the expedited review process is working as intended and reviewing all zoning changes for impacts on affordable housing provision, should be ongoing processes to ensure current City code and any future amendments to the code do not create unintended barriers to affordable housing. Short-term recommendations for staff include increasing public outreach and education about current affordable housing programs and resources, and strengthening the accountability measures associated with the Charlottesville Affordable Housing Fund (CAHF) and Housing Policy 1. These actions will increase the number of affordable units in the City through targeting current resources to a greater number of low-income households, as well as ensuring recipients of CAHF funds use those funds efficiently and for their intended purpose. Finally, in alignment with Council's vision to provide quality housing opportunities for all, the HAC recommends staff explore the feasibility of implementing programs, such as shared equity or employer assisted housing, to assist lower-income and workforce households purchase a home. In terms of City Council activities, the HAC recommends Council increase the annual contribution to the CAHF; add "workforce housing" as a separate housing income category under Housing Policy 1; unify the definition of affordable housing income tiers across the City's affordable housing programs to align with the definition outlined in Housing Policy 1, and expand real estate tax relief programs to include qualifying residents with deed restricted

properties, such as those properties owned by the Thomas Jefferson Land Trust or other non-profit organizations. This latter option, however, may need enabling legislation to implement.

Finally, the HAC recommends the City pursue, through enabling legislation, the ability to use tax credits or other after purchase subsidies to assist workforce households purchase housing in the City and maintain long-term affordability. While the HAC recognizes securing enabling legislation is a long-term process, this item has been included with the short-term recommendations as a way to prioritize the City's legislative agenda items.

Mid-Term Recommendations

The mid-term recommendations for zoning ordinance amendments cover a variety of developer incentives to encourage the construction of affordable housing units. Recommended incentives include increases to minimum residential building densities in mixed-use districts, as well as the provision of extra floor area ratio for on-site affordable housing. The HAC also recommends off-setting the cost of structured parking to make the provision of on-site affordable units financially feasible, and waiving development fees for developments reserving at least 10 percent of residential units as affordable units.

One recommendation presented in the housing report, and that HAC members support, is the creation of an affordable/workforce housing program similar to Montgomery County, Maryland's Moderately Priced Dwelling Unit (MPDU). Acknowledging that Virginia code does not support the creation of MPDUs, the HAC members believe a MPDU-type program has the potential to significantly increase the number of supported affordable housing units within the City. To that end, they recommend staff research possible structures of, and feasibility of implementing, a similar type of program for the City. The HAC also recommends staff investigate the feasibility of creating a landlord risk reduction program for landlords managing affordable housing units. The risk reduction program would provide funding to help landlords off-set the cost of repairs due to significant tenant damages, in exchange for keeping unit rents at an affordable level for a City defined period of time.

Mid-term recommendations for City Council action include: tying the use of public fund for streetscape and infrastructure improvements in distressed or reinvestment areas to the construction of supported affordable units; and prioritizing the sale or lease public property for the purpose of affordable housing development; as well as working with Albemarle County, through the joint Memorandum of Understanding, to increase the supply of affordable and workforce housing. Additionally, the HAC recommends the City support the coordination of fair housing, affordable housing location services, and tenant advocacy programs to assist low-income households access affordable housing options. The University of Virginia offers a housing liaison service for students seeking off-campus housing that may provide a program model. Any housing locator or liaison service should be developed in partnership with Albemarle County.

Long-Term Recommendations

The recommendations in this category are for City Council action and legislative agenda items only. They address activities to increase the housing development within the City over with a specific focus on programs designed to increase the City's affordable housing stock. The

recommendations include the creation of a revolving loan fund, either through the CAHF or a separate funding source, to provide gap financing for affordable housing developments; City funding support to the Charlottesville Redevelopment and Housing Authority to assist with the redevelopment of public housing into mixed-use/mixed-income communities; and creation of a Transfer of Development Rights program for housing development, and affordable housing development in particular. In terms of legislative agenda items, the HAC recommends pursuing enabling legislation to extend City property tax exemption and abatement programs to all residential property types, including properties that convert to residential use, as well as for implementing an inclusionary zoning (IZ) policy in the City. The IZ policy should include mandatory developer provisions of affordable housing set at a City defined percentage of overall housing units and affordable to City defined income bands. The HAC also recommends the City pursue enabling legislation to increase the cash in lieu payment under the Affordable Dwelling Unit (ADU) ordinance from the current \$2.205 per square foot of gross floor area to \$4.41 per square foot of gross floor area. HAC members believe the higher dollar amount will discourage developers from opting for the cash lieu option and lead to an increase in the number of ADUs provided.

**Housing Advisory Committee Recommendations
to Charlottesville City Council from the
City of Charlottesville Comprehensive Housing Analysis and Recommendations Report**

Type of Action	Recommendation
Short-term	
<p><i>Zoning Ordinance Amendment/Action:</i></p>	<ul style="list-style-type: none"> • Review expedited review process for projects with proposed 15% affordable housing units to ensure process is working as intended. Update ordinance and/or standard operational procedure to strengthen, if necessary. • Include all 12 HAC Code Audit Subcommittee recommendations in NDS code audit. • Incorporate additional zoning considerations, modifications and/or allowances (such as smaller lot sizes) across selected, multiple or all zoning districts to incentivize provision of on-site affordable housing. • Offer density bonuses and other zoning allowances for multi-family development in R3 and above zones or through SUP in exchange for 17% of total units being affordable dwelling units (allowable under Virginia Code 15.2-2305 B (3)). • Allow by right increase in density for affordable units across specific, multiple or all zoning districts. This should be capped at a doubling of the density to preserve lower-density neighborhoods (may need enabling legislation). • Focus mixed-use & mixed-income housing development on areas already

	<p>identified as redevelopment priorities.</p> <ul style="list-style-type: none"> • Use an Affordable Housing Overlay District or codified incentives to provide affordable housing. • Review all zoning changes (including those associated with the Strategic Investment Area (SIA), W. Main Street & Cherry Avenue corridor, the NDS code audit, & the form based code effort) for impacts on affordable housing and the Affordable Dwelling Unit (ADU) ordinance. Provide additional zoning considerations – such as by right density bonuses or increased FAR – for provision of on-site affordable housing.
<p><i>Staff Action:</i></p>	<ul style="list-style-type: none"> • Increase public outreach and communication regarding existing affordable housing programs, and improve collaboration among City departments providing the programs. • Develop Standard Operating Procedures related to accountability provisions of Housing Policy 1. • Explore shared equity financing and other resources (e.g., employer provided or generated) to assist lower-income/workforce households purchase a home.
<p><i>City Council Action:</i></p>	<ul style="list-style-type: none"> • Increase the annual contribution to the Charlottesville Affordable Housing Fund (CAHF) • In coordination with the HAC, add “workforce housing” as a separate housing income category to Housing Policy 1. This should not be considered “affordable

	<p>housing” under the City’s definition.</p> <ul style="list-style-type: none"> • Unify definition of affordable housing income tiers across City of Charlottesville affordable housing programs (e.g., real estate tax relief programs for income qualified elderly/ disabled/ veteran homeowners) based on definition outlined in Housing Policy 1. • Audit existing policy, and expand wherever possible, real estate tax relief to qualifying residents with deed restricted properties, such as those owned by the Thomas Jefferson Community Land Trust, etc. and qualifying non-profit organizations with real estate holdings (may need enabling legislation).
<p><i>Legislative Agenda Items:</i></p>	<ul style="list-style-type: none"> • Consider use of tax credits or other “after purchase” subsidies to help workforce households (80% - 120% AMI) purchase housing in the City and maintain long-term affordability.

Mid-term	
<p><i>Zoning Ordinance Amendment/Action:</i></p>	<ul style="list-style-type: none"> • Increase minimum residential building densities in mixed-use districts. • Base minimum building densities in mixed-use corridors on floor area ratio, rather than standard dwelling units per acre. Provide extra FAR for any affordable housing constructed on-site. • Provide incentives to developers of low-income housing to offset cost of structured parking necessary for provision of increased density and ADUs. • Consolidate various mixed-used zones into a singular mixed-use zoning category. • Waive development fees for developments reserving at least 10% of residential units as affordable units.
<p><i>Staff Action:</i></p>	<ul style="list-style-type: none"> • Research structure of, and feasibility of implementing, an affordable/workforce housing program similar to Montgomery County, Maryland's Moderately Priced Dwelling Unit program. • Strengthen code, health and safety enforcement programs for privately-managed units affordable to low-income households, and enable health and safety upgrades in exchange for non-displacement mechanisms. • Investigate the feasibility of creating a landlord risk reduction program to support Housing Choice Voucher (HCV) program landlords, and private market landlords managing affordable rental housing, with costs of rental unit repair due to significant

	damage caused by low-income tenants.
<i>City Council Action:</i>	<ul style="list-style-type: none"> • Tie use of public funds for streetscape and infrastructure improvements in distressed or reinvestments to the construction of supported affordable units. • Prioritize sale/lease of public property for purpose of affordable housing development. • Coordinate with Albemarle County, through the MOU, to increase the supply of affordable and workforce housing. • Support coordination of fair housing, affordable housing location services, and tenant advocacy. Coordinate efforts with Albemarle County.
Long Term	
<i>City Council Action</i>	<ul style="list-style-type: none"> • Develop a revolving loan fund to provide loans and loan guarantees as needed for gap financing. • Encourage and support (with City funds) CHRA to redevelop public housing into mixed-use/mixed-income communities. • Develop a Transfer of Development Rights program with additional consideration for affordable housing. • Provide free Broadband internet access to lower-income households.
<i>Legislative Agenda Items</i>	<ul style="list-style-type: none"> • Increase City tax exemption and tax abatement programs to include all residential properties, including those that convert to residential use. • Implement an inclusionary zoning policy requiring developers provide a certain

	<p>percentage of residential units to households with incomes in City-defined income bands.</p> <ul style="list-style-type: none">• Increase the cash payment in lieu for ADUs to better reflect value of affordable housing to the City of Charlottesville.
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Rivanna River Renaissance Committee

City of Charlottesville
County of Albemarle

Joint Strategic Planning Session

September 10, 2015

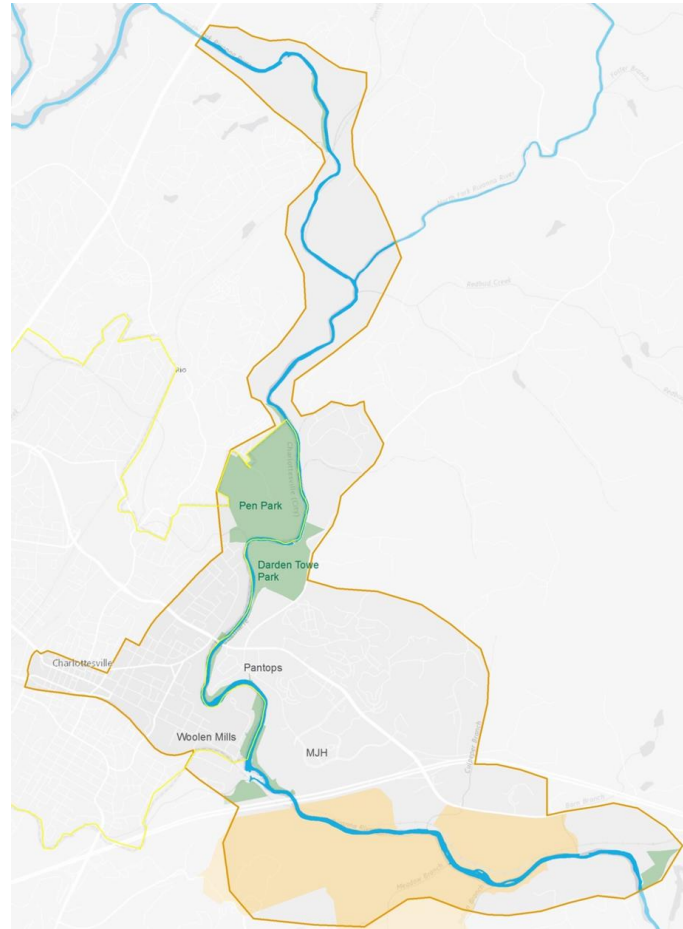


Rivanna River

One River - Four Communities



One River - Four Communities Corridor Study Area



Rivanna Renaissance

HISTORY

□ July 1, 2014

City of Charlottesville & Albemarle County during a joint strategic planning meeting identified the shared Rivanna River corridor as one of three top priorities to pursue joint discussions

- ❖ Identify compatible land uses
- ❖ Share resources
- ❖ Front businesses to river
- ❖ Increased communication between staff, elected and appointed officials
- ❖ Master plan for shared borders
- ❖ Environmental quality

□ September 23, 2014

Committee of elected officials and planning staff attended the first committee meeting facilitated by the TJPDC

Rivanna Renaissance

HISTORY

- September, 2014 through August, 2015
 - ❖ 9 Committee meetings held
 - ❖ Received input from economic development, recreational, historical, cultural and environmental stakeholders
 - ❖ Reviewed maps of property owners, zoning, land uses, historical & cultural sites, recreation amenities, impairments, ground cover, water quality and others
 - ❖ Recent meeting had nearly 20 participants

Rivanna Renaissance

Members

Ken	Boyd	Albemarle County BOS
Chip	Boyles	TJPDC
Kurt	Burkhart	C'ville Albemarle Convention & Visitors Bureau
Lee	Catlin	Albemarle County
Wayne	Cilimberg	Albemarle County Community Dev't
Missy	Creasy	City of Charlottesville - NDS
Elaine	Echols	Albemarle County Community Dev't
Chris	Engel	City of Charlottesville Econ. Dev't
Chris	Gensic	Charlottesville Parks Department
Dan	Mahon	Albemarle County
Calvin	Morris	Albemarle Planning Commission
Liz	Palmer	Albemarle County BOS
Dan	Rosensweig	Habitat for Humanity
Dede	Smith	Charlottesville City Council
Susan	Stimart	Albemarle County
Kristin	Szacos	Charlottesville City Council
Ann	Hemenway	Lewis and Clark Center

Rivanna Renaissance

Current Findings

- Increased and ongoing communication mechanism needs to be in place between Charlottesville, Albemarle, Greene and Fluvanna Counties, especially at shared borders of Charlottesville & Albemarle from the South Fork to the North Milton Road Bridge
- Businesses and developments need to be encouraged to face and embrace the river rather than hide it
- Charlottesville currently provides industrially zoned land along the river and Albemarle includes some commercially zoned river front land
- Development of the Woolen Mills site could be a major catalyst for river corridor
- Multi jurisdictional corridor planning provided most comprehensive approach to river development and environmental quality
- River use and awareness increases the benefits of the river
- Create an educational campaign for the river – fall event
- Support of Rivanna non-profits and organizations for full cooperative opportunities
- Water quality from feeding streams needs improvement

Rivanna Renaissance

Current Findings

- Rivanna is designated a Scenic River Corridor
- City & County have voluntary stream buffer standards for undeveloped properties
- Goals must include measures to improve Water Quality, preserve history and aesthetics while pursuing recreational and development uses
- Existing Rivanna area plans and documents include:
 - ▣ Pantops Master Plan
 - ▣ 1998 State of The Basin by TJPDC
 - ▣ Rivanna River Vortex All-School Workshop
 - ▣ 2002 Needs Assessment by UVA Institute for Environmental Negotiation

Rivanna Renaissance

Actions

Step 1

- **Develop, approve and execute a Memorandum of Understanding between City of Charlottesville, Albemarle County and TJPDC**
 - TJPDC as facilitator of Rivanna Renaissance effort
 - Establish a jointly appointed Rivanna Renaissance Committee that specifically includes the Rivanna Conservation Alliance and TJ Soil & Water District
 - Bi-monthly meetings of committee members of elected officials, staff and interested citizens and non-profits
 - Identify MOU river boundaries
 - Include formal notification process between jurisdictional staff for applications and permits within RivannaRiver boundaries
 - Develop a communication system keeping elected officials, staff, citizens and stakeholders engaged in common river interests, applications and projects
 - TJPDC to draft with Committee review (No cost)

Rivanna Renaissance

Actions

Step 2

- **Prepare a Joint Corridor Map**
 - Review of City and County Comprehensive Plans for areas within RivannaRiver boundary
 - Prepare joint map from adopted Comprehensive Plans that include land use, development areas, etc.
 - Add additional water quality, historic, development, recreation sites, etc. to map
 - Utilize for joint project, permit reviews, project development for grants, etc. by staff
 - Create TJPDC RivannaWeb Site for joint notification of projects with citizen engagement, includes corridor map display
 - Estimated cost to develop by TJPDC is \$15,000 (approx. 250 hours)

Rivanna Renaissance

Actions

Step 3

- **Prepare a Joint Corridor Concept Plan with Public Engagement**
 - Includes Step 1 & Step 2
 - Review existing Comprehensive Plans and other documents for conflict, new information and joint goals
 - Engage consultants or UVA student project for design assistance
 - Perform public engagement & public input
 - Prepare concept document and amend Comp Plans if necessary
 - Research, prioritize and visit successful river redevelopment projects such as Lynchburg, VA, Greenville, SC & Roanoke, VA
 - Estimated cost of \$50,000 (includes all of above) (approx. 700 hours)

Rivanna Renaissance

Actions

Step 4

- **Develop a Master Development Plan for one or more common boundary areas along the river**
 - Develop Request For Proposals, Procure and Contract with Consulting Planning & Design Firm
 - Identify the public improvements/investments needed to improve the current greenway
 - Identify water quality protection and enhancement measures needed to address water quality issues.
 - Establish land use recommendations, conservation measures, design standards and guidelines for lands adjacent to the river.
 - Include a public participation program with an initial and follow-up public meetings and inclusion of important stakeholders throughout the planning process.
 - Deliverable is Master Plan of Improvements, Costs, Policy Revisions
 - Estimated Cost \$300,000 in addition to previous actions. Cost is dependent upon detail of scope of work desired and as defined from previous steps.

QUESTIONS

Thomas Jefferson Planning District Commission

401 East Water Street
Charlottesville, VA 22902

Chip Boyles
Executive Director
eboyles@tjpdcc.org