

# CITY OF CHARLOTTESVILLE

*"To be One Community Filled with Opportunity."*

## Housing Advisory Committee – Policy Subcommittee



**Monday, November 13, 2023, noon**

**Location:**

**700 E. Jefferson Street, Charlottesville, VA 22902  
(2<sup>nd</sup> Floor Conference Room)**

- 1. Attendance**
- 2. Chair Items**
  1. Open Remarks
  2. Introductions
- 3. Agenda Items**
  1. HAC Subcommittee Updates
    - a. Review of the final draft of HAC Recommendations for Zoning Code
- 4. Public Comment**
- 5. Adjourn**

### **Agenda Attachments**

1. Exhibit A is a draft memo of recommendations for updating the zoning code from the HAC Policy Committee to the HAC for adoption.

### **Staff Contact:**

Antoine Williams, Housing Program Manager, Office of Community Solutions: (434) 970-3513 or [williamsan@charlottesville.gov](mailto:williamsan@charlottesville.gov)

# Exhibit A

**To: Charlottesville City Council**  
**From: Housing Advisory Committee**  
**RE: Final Recommendations for Zoning Code Update**  
**Date: November 13th, 2023**

## **Background:**

The Housing Advisory Committee (HAC) met on November 13<sup>th</sup>, 2023 to vote on a final set of recommendations to City Council regarding the proposed revision of the City Zoning Ordinance.

The primary purpose of this memo is to support the Planning Commission's 10/18/2023 recommendation for a revised ordinance with some modifications specific to affordable housing.

In addition, the HAC is concerned about recent conversations in City Council work sessions contemplating significant downzoning of CX/NX and DX districts to five stories by right with additional height available by Special Use Permit. Although we believe that a reduction in by right heights in Core District Corridors only may be warranted and the HAC could support making additional height subject to a special use permit process only in these areas given the forthcoming small area planning processes for adjacent Core Neighborhoods, we strongly disagree with any contemplated downzoning in CX/NX and DX districts -- the areas that will allow for the greatest increase in residential density. This would undermine the intent of the ordinance change, increasing housing costs, overtaxing city staff and ultimately resulting in less, not more, housing affordability.

What follows are recommendations from the HAC for amendments to the Planning Commission's 10/18/2023 recommendation. We urge you to vote to approve the Planning Commission's recommendation amended by the incorporation of these changes.

## **Modifications to sections related to Equivalency of Units**

**COMMENT:** *The draft of the Zoning Code Section 4.2.2 is too restrictive and could prohibit mixed-income development. The HAC recommended to the Planning Commission that 20% be the threshold for exemption. The Planning Commission's change to 30% did not appear to be based on any particular information or insight. The HAC's recommendation is based in practitioner experience, particularly for single-family developments, and the 20% threshold is consistent with other sections of the code for height bonuses under Inclusionary Zoning.*

### **Specific Recommendations:**

1. Change PC's recommended Section 4.2.2.C.1.c.vi to:

*For projects containing at least 20% of units as affordable housing units meeting the Sec. 4.2.2.C.1.a Term of Affordability requirements and Sec. 4.2.2.C.1.b Cost Requirements, the equivalency requirements of this section do not apply.*

# Exhibit A

## Modifications to sections creating R-NA

**COMMENT:** *The development of the R-NA “Core Neighborhoods” zoning category emerged out of discussions between City staff and the HAC. The Planning Commission’s recommendations include the creation of the R-NA, but some HAC recommendations were modified. The HAC believes that the original recommendations should be adopted given the disproportionate ‘rates of change’ forecast by RKG in what the Comprehensive Plan described as “Sensitive Area Residential” zones. Given the legacy of harm to and exploitation of historically low income and African American neighborhoods in Charlottesville, a consensus has emerged across the city that these communities need to be afforded an extra layer of protection.*

### **Specific Recommendation:**

1. Support the new Zoning District (R-NA) Core Neighborhoods with the following changes to the PC recommendations:
  - DENSITY:
    - Base: One unit per lot by right (no affordability or preservation requirement).
    - Bonus (Preservation): One bonus unit if the original house is preserved.
    - Bonus (Affordable Dwelling Units): Up to six units total (no preservation required so long as at least one affordable unit and no more than two market rate homes – i.e. units not meeting the City definition of affordable -- are provided)
    - Include a “no net density loss” provision.

## Height bonuses for Affordable Housing

**COMMENTS:** *The HAC believes that the inability to achieve bonus height in R-NA, R-A, R-B and R-C zones will create the conditions by which affordable housing density bonuses will not be practical. The Planning Commission’s recommendation did not require affordability for achieving bonus height in R-NA, R-A or R-B and instead set 40’ as a bonus height simply for the provision of more than one unit, whether or not any of the units meet the definition of affordability.*

*The HAC feels strongly that, no matter what the final height allowed by the ordinance, extra height should be allowed for affordable housing as that would satisfy the objectives of the City’s adopted housing plan and allow developers and individual property owners to achieve all or some percentage of the bonus density for affordable housing in the code draft.*

**Specific Recommendation:** In R-NA, R-A and R-B zoning districts, allow 4 stories (45’) when at least one unit of affordable housing is provided. In R-C, the allowance should be 5 stories (65’) provided at least one unit is affordable.

## Terms of Affordability:

**COMMENTS:** *The HAC agrees with the Planning Commission’s recommendation to distinguish separate affordability terms for homeownership and rentals respectively and has suggestions for some improvements. The Planning Commission’s recommendation diverged from this recommendation in three key areas:*

# Exhibit A

*1) It changed the maximum AMI for an affordable homeownership unit to 80% which would eliminate several federal and state funding mechanisms; 2) It eliminated the provision that sets the second sale price – or the right of first refusal amount – at a fair market value; and 3) It did not include a provision allowing 99-year rentals to convert to affordable home ownership.*

## **Specific Recommendation:**

Replacement language:

### Change 4.2.2.C.1.a

All affordable dwelling units must meet the following requirements and standards of the Affordable Dwelling Unit Monitoring and Procedures Manual:

- a. Term of Affordability
  - i. For-Rent Affordable dwelling units must be income-restricted for a minimum of 99 years. Deed restrictions for affordable dwelling units must be recorded in the Charlottesville Land Records.
  - ii. When a project demonstrates the affordability goals of the Comprehensive Plan and Affordable Housing Plan and the intent of this Section are met, the Administrator may accept modifications to these requirements consistent with the guidance of the Affordable Dwelling Unit Monitoring and Procedures Manual.
  - iii. For-Sale Affordable dwelling units must be sold to a qualifying purchaser who earns 80% of the area median income or below. The dwelling unit must include a deed restriction granting the City of Charlottesville or a qualifying non-profit organization a right of first refusal to repurchase the home upon its first resale at a fair market value established pursuant to the policies and procedures established in the Affordable Dwelling Unit Manual. This deed restriction must be recorded in the Charlottesville Land Records.
  - iv. Units created as For-Rent Affordable Dwelling Units under sections ii and iii above may be converted to affordable home ownership during the affordability period provided they are offered for sale to qualifying tenants. In the case of such a conversion, the regulations under section iii above shall replace previous term-of-affordability requirements.

## **Potential Motions:**

I move that the Housing Advisory Committee recommend to City Council that they adopt the Zoning Code recommended to them by the Planning Commission on 10/18/2023 with the modifications listed in the November 13, 2023 HAC memo to Council.

Or

I move that the Housing Advisory Committee recommend to City Council that they adopt the Zoning Code recommended to them by the Planning Commission on 10/18/2023 with the modifications listed in the November 13, 2023 HAC memo to Council with the following changes...