

MEMO: AFFORDABLE HOUSING POLICY Ideas for the Affordable Housing Action Plan Work Session (AUGUST 30, 2018)

DATE: 8/14/18

FROM: Kathy Galvin

TO: Leslie Beauregard & Stacy Pethia

CC: City Council, HAC, CRHA, CLIHC members, Planning Commission (invited), Mike Murphy, Chris Engel

The 2018 PES Housing Needs Assessment and Bonus Height Analysis, <http://www.charlottesville.org/departments-and-services/departments-h-z/neighborhood-development-services/housing-grants/housing-data-and-reports>, established an acute need for 3,318 units Supported Assisted Units (SAUs) in Charlottesville. This number when combined with the 657 units of housing financed under the Low Income Housing Tax Credit (LIHTC) program that did not need massive rehabilitation, totals 3, 975 Supported Assisted Units. That's **20% of the City's housing stock** (3,975/19,937), not the City's longstanding target of **15% of the City's housing stock** (from the "2025 goals for affordable housing" document adopted February 1, 2010.) In addition to the PES Housing Needs Assessment and Bonus Height Analysis, the City has undertaken other economic mobility and housing needs assessments over the past five years, namely the 2013 Growing Opportunity Report, <http://www.charlottesville.org/home/showdocument?id=26510> and the 2015 RCLCO Study, <http://s3.amazonaws.com/cville/cm%2Fmultimedia%2F20160115-RCLCO-Housing-Report.pdf>. The following list of policy ideas (grouped in categories) include recommendations from these four investigations as well as proposals that I have put before city council and discussed with city staff over the past two years, (such as: creating "value capture districts" along our high intensity growth corridors like West Main, Preston and Water- section 4, page 3 and Appendix B of this memo; and establishing quantifiable supported assisted unit targets for our small area plans- section 5, page 4 and Appendix D of this memo). In my personal opinion, the list has to be this comprehensive, so that when we aggressively increase the supply of supported assisted housing through private for-profit and non-profit means, we also maintain the fiscal capacity to finance the debt that will be required to do so. We also need to keep in mind that as we redevelop our scarce land resources, we should also put mechanisms in place to protect low and moderate income homeowners and small businesses from rising assessments, via land trusts, tax freeze districts and property tax circuit breaker programs section 4, page 3 of this memo). Finally, redevelopment and construction projects can and should be used whenever possible, as engines for job creation, training and hiring of our local, low wealth community, as was done by City Council Resolution for the West Main Street and Belmont Bridge infrastructure projects (section 7, page 6 of this memo). I therefore request that this comprehensive list of policy ideas be included for discussion during our August 30, 2018 Work Session.

1. PRIVATE FOR-PROFIT DEVELOPERS incentives
2. PRIVATE NON-PROFIT HOUSING PROVIDER assistance
3. Incentives and Assistance that apply to both PRIVATE FOR-PROFIT DEVELOPERS & PRIVATE NON-PROFIT HOUSING PROVIDERS
4. GOVERNMENT & PUBLIC ASSETS
5. LONG RANGE PLANNING
6. CITY-WIDE ZONING REFORM
7. HOUSEHOLD EARNING CAPACITY
8. UNIVERSITY
9. EXECUTION

1. PRIVATE FOR-PROFIT DEVELOPERS incentives.

- BRIDGE RENT GAPS with VOUCHERS. Use rental vouchers to bridge the rent gap between 80% AMI and the deeper levels of affordability needed as identified by the PES study (52% at 30% AMI or below, 24% between 30-50% AMI, 14% between 50-80% AMI and 10% between 80-100% AMI). CRHA should consider adopting HUDs 2018 Fair Market Rates-FMRs so that their vouchers could be used in new developments.

- HEIGHT BONUSES. The economics of construction impose a threshold at six stories where wood-frame construction must be replaced by steel and/or concrete thereby making the incremental cost of going from five to six stories prohibitive. On-site construction of affordable units under a height bonus scenario is therefore feasible only up to four and five stories, from a baseline height of three. More affordable units can be created when height bonuses are used, in combination with other strategies to lower the impacts of land and development costs such as:
 - Reduce regulatory uncertainty by making by-right zoning clear, predictable, feasible and aligned with the comprehensive plan, and
 - Remove the SUP option for height and density bonuses (since that incentivizes 101' tall (9 story) buildings with no possibility of on-site affordable housing due to prohibitive construction costs), with possible exceptions as discussed below.
- SUPs for HEIGHT for SELECT LOCATIONS ONLY. The value of the unit built on-site using a bonus height incentive, is greater than the value of the CAHF cash contribution generated by a Special Use Permit (SUP) for buildings 5 stories and below. There are a few circumstances however where a 101' tall (9 story) mid-rise office condominium or luxury apartment building without affordable units that required a SUP to achieve additional density, would be financially feasible and contribute more cash to the CAHF. (PES Bonus Height Analysis, Table p. v.) The RCLCO study in 2015, also found that higher income “empty nesters” who want to down-size but stay in the City, have few housing options thereby rendering a stock of single family detached houses within the City’s limits unavailable for sale. Building luxury units for these empty nesters, might therefore be worth considering since it will free up more single family detached, housing stock within the City limits:
 - Allowing SUPs for height, in select locations where a 101' tall, mid-rise building fits the scale of the context, and there is ample area to transition down to the scale of adjacent neighborhoods. (Such districts would need to be part of a community-driven small area plan) These special districts could generate funds for the CAHF via the SUP and will generate significant tax revenue/acre for the City. If these districts are also VALUE CAPTURE districts (**Appendix B**.) then the added revenue could be earmarked for affordable housing or directed to a capital improvement or job training program in a Qualified Census Tract (QCT.)
 - Coupling SUP districts and affected neighborhoods with tax relief (see TAXATION section below) so as to counter the inflationary impacts of buildings over 5 stories on the surrounding neighborhoods however, need to be monitored and addressed.
 - Consolidate the mixed use corridor districts to simplify regulations (RCLCO study p. 33). See also **Appendix A**.

2. PRIVATE NON-PROFIT HOUSING PROVIDER assistance

- BOND ISSUANCE. Explore using bonds to provide a large cash infusion to the CRHA for redevelopment as well as to finance new infrastructure or provide supplemental capital in private, non-profit LIHTC projects. Analyze the City’s bonding capacity relative to other capital needs and tax rates.
- CAHF CONTRIBUTIONS. Increase the City’s annual commitment via new earmarked strategies (see “VALUE CAPTURE”, **Appendix B**.)
- LAND TRUST. Determine how the Thomas Jefferson Land Trust could be used more extensively.
- LAND BANK. Create a Land Bank (see the RCLCO study-p. 40). Finalize the ordinance for this public non-profit agency so it can assemble and clear sites for transfer to land trusts and affordable housing providers, including but not limited to gray and brownfield sites. NOTE: it takes significant capital to prep and clean “gray and brownfield” sites, which may require projects to be mixed income and mixed use in order to “pencil out.”
 - Align land assembly efforts of the land bank with non-profit and CRHA development plans to avoid long holding periods.
 - Build low-income housing on remediated industrial and commercial sites located on transit corridors and CRHA & PHA properties.
 - Inventory all land, estimate the cost of prepping and cleaning “gray and brownfield” sites and prioritize acquisitions.

3. PRIVATE FOR-PROFIT DEVELOPERS incentives & PRIVATE NON-PROFIT HOUSING PROVIDER assistance
 - STREETScape AND INFRASTRUCTURE improvements. Secure public funds (through bond issues or public private partnerships) to drive down development costs on projects with affordable housing.
 - STRUCTURED PARKING. The cost of structured parking is a major obstacle to producing affordable housing. We need comprehensive solutions.
 - Engage the public on this issue with clear information about the need for affordable housing and the challenges to producing it.
 - Establish clear mechanisms for shared parking agreements as recommended by past downtown and west main parking studies.
 - Reduce on-site parking requirements- coupled with: charging separately for parking to encourage a reduction in car use; removing the cost of neighborhood permit parking in Qualified Census Tracts-QCTs; building municipal parking; creating shared parking agreements; improving bus service and pedestrian and bike infrastructure; requiring transportation demand management by large employers, like the city.
 - Pass a public private partnership ordinance to allow such partnerships to build parking garages.
 - Explore the use of bonds to finance new infrastructure like a municipal parking garage.

4. GOVERNMENT & PUBLIC ASSETS
 - TAX RELIEF. Expand Charlottesville Housing Affordability Program CHAP, Tax & Rental Relief Programs for the Elderly and Disabled.
 - TAX FREEZE DISTRICTS. These are allowed by Virginia law. See Richmond's <http://www.richmondgov.com/Finance/TaxExemptions.aspx>.
 - PROPERTY TAX CIRCUIT BREAKER PROGRAMS such as New York City's. Once a homeowner's property tax exceeds a certain percentage of gross income, the homeowner is entitled to tax relief -- the full property tax bill must always be paid upon receipt, but the homeowner (of any age) will see relief either as a credit on his/her state income tax or as a refund check. <http://www.nyspropertytaxreform.org/the-circuit-breaker/>
 - WAIVE PROPERTY TAXES on affordable units in for profit development projects to lower development costs.
 - MODERATELY PRICED DWELLING UNIT PROGRAM for renters and first time homeowners earning no more than 80% AMI, as in Montgomery County Maryland. Explore this as a way to expand homeownership opportunities and meet the needs of the City and School Division's workforce.
 - EMPLOYER-ASSISTED HOUSING. Explore national examples in Austin, TX and Montgomery County, MD to expand homeownership for school division and city staff and UVA faculty and staff, for first time homebuyers earning no greater than 80% AMI (see RCLCO Study-p. 39.)
 - "VALUE CAPTURE" Budget Policy. Create a dedicated funding stream for the CAHF so as to continue assisting non-profits via:
 - A "value capture" budget policy as allowed in Virginia (see link below and draft resolution-**Appendix B**) whereby a certain % of new City real estate property tax revenue generated by redevelopment and rising assessments of properties with frontage along major growth and transit corridors is dedicated to the CAHF and low income resident tax relief within adjacent Qualified Census Tracts (QCT). Water Street and Water Street extended tax revenue would be directed to QCT 4.01 (Ridge Street). West Main Street and Preston Avenue revenue would be directed to QCT 2.02 (Tenth and Page) and QCT 2.01 (Rose Hill). http://www.housingvirginia.org/wp-content/uploads/2017/09/HV_Inclusionary_FINAL-09.01.2017.pdf
 - Apply a "value capture" approach to other transit corridors as they redevelop such as Cherry, Meade Avenues, E. High and River Road.
 - Set a budget policy similar to that of the city schools, whereby a % of new revenue from the real estate tax city wide is dedicated the CAHF.
 - PUBLIC ASSET CORPORATION. North Harbor in Copenhagen illustrates how a new public asset corporation was organized to capture more public wealth and reinvest it public infrastructure, like transit. It is a district that must also conform to Copenhagen's goal to be carbon neutral by 2025 and

law that requires at least 25% of the new housing in the district be set aside for affordable housing (see the Copenhagen Port Paper by the Brookings Institute, https://www.brookings.edu/wp-content/uploads/2017/05/csi_20170601_copenhagen_port_paper.pdf.)

5. LONG RANGE & REGIONAL PLANNING

- REGIONAL STRATEGY. Work with Albemarle County (that is allowed to have an inclusionary zoning ordinance.)
 - Establish specific housing and transportation goals at the Albemarle/Charlottesville summit in the fall 2018.
 - Do Small Area Planning together along shared corridors (like Rio and Hydraulic/Hillsdale) and apply the same implementation strategies.
- COMPREHENSIVE PLAN. Establish 20% **Supported Assisted Units (SAUs)**, as the new production target city-wide. 3,318 new units need to be created or rehabbed with 52% at 30% AMI or below, 24% between 30-50% AMI, 14% between 50-80% AMI and 10% between 80-100% AMI.
- REDEVELOP UNDERUTILIZED PARCELS within **SMALL AREA PLAN-SAPs** (which become part of the Comprehensive Plan when completed.) Redevelopment is made easier and cheaper when community vision plans are clear and predictable zoning regulations and reviews are in place. The gray and brownfield sites which dominate these landscapes however, are often targets for redevelopment nationwide, despite the fact that many sites are especially challenging to “clean up” for development. For each SAP:
 - Develop affordable and workforce housing on infill sites that currently host underutilized or temporary uses, such as surface parking lots, older retail centers, declining industrial facilities. (See RCLCO Study- p. 36.)
 - **Establish SAU targets for each SAP**, (see UVA student build out scenarios-**Appendix C**, and draft SAP resolution, **Appendix D**.)
 - Designate the SAP as a Housing Rehabilitation Zone (HRZ) <https://vacode.org/2016/36/1.5/36-55.64/>.
 - Use reduced on-site parking districts, with other measures to mitigate impacts and lessen the demand for cars (see item #3 above.)
 - Provide culturally and racially sensitive facilitation, planning, design and technical expertise to the community so businesses and residents can create a vision and implementation strategy for the SAP that includes affordable housing, healthy food sources, streets designed for walking with convenient bus stops, access to jobs, childcare and schools, parks and playgrounds, etc.
 - Develop and apply new zoning (including form based codes) that allows for a greater mix of uses, and makes automatic height bonuses and expedited reviews “by right” as a way to build affordable housing units on-site while respecting the community’s appreciation for appropriate building scale, massing, protected natural areas, historic preservation and public space amenities as identified in the Comprehensive Plan.
 - Identify new SAPs in the 2018 Comprehensive Plan Update, in addition to the twelve already established in 2013, and before that in 2003.
 - Accelerate the creation of SAPs so identified parcels can be redeveloped into affordable housing sooner.
- TRANSPORTATION, PARKING. Improve and expand bus service, walking and cycling infrastructure and ride sharing to reduce parking demand via the recommendations of the Regional Transit Partnership (RTP) and others. Consider the following.
 - Designate each Small Area Plan (SAP) as an Urban Development Area (<https://law.lis.virginia.gov/vacode/title15.2/chapter22/section15.2-2223.1/>) as required by Virginia Code for high growth areas, and position them for Virginia SmartScale transportation funding. See the Hydraulic/Hillsdale SAP as an example.
 - Use Public, Private Partnership mechanisms, Tax Increment Financing (TIF) and Opportunity Zones to secure public and private investment to build structured parking, streets and parks and other municipal facilities in each SAP and the City’s Qualified Census Tracts (QCTs).
 - Issue bonds to pay for multi-modal street and intersection improvements and connections, both in the city and county so as facilitate the expansion of low cost transportation for households who cannot afford cars (over 10% do not own a vehicle, PES Needs Assessment p. 11)

and must rely on public transportation, walking or cycling to work. According to recent data from CAT, on average CAT riders are disproportionately African American at 36% (whereas African Americans are 19% of the City's population and 9% of the County's) and 22% of CAT riders are living in poverty.

- Establish a Regional Transit Authority with capacity to raise revenue, and build robust regional networks. The RTP is looking at this.

6. CITY-WIDE ZONING REFORM

- Engage the city-wide community in an honest discussion about the urgent need for affordable housing and reforming our zoning ordinances.
- Establish new by-right zoning (including form based codes) with streamlined, predictable development application reviews that:
 - consolidates the mixed use corridor districts into fewer districts so as to simplify regulations (RCLCO study p. 33). See **Appendix A**, the Existing Mixed Use Corridor District Table;
 - removes minimum lot sizes city-wide;
 - lessens on-site parking requirements along transit routes (with other mitigating measures);
 - shortens setback requirements;
 - removes maximum densities;
 - uses automatic height bonuses to incentivize affordable units on site, up to five stories, with a baseline height of three stories;
 - restricts the need for SUP requests except for select areas (see item #1 above);
 - encourages more centers with mixed use and more affordable housing within neighborhoods, not just along corridors (see 2018 Comprehensive Plan and the 2006 Neighborhood Design Day);
 - respects physical context, natural and historic areas and contributes to the quality and safety of public streets and parks; and
 - implements the 2018 comprehensive plan, a comprehensive affordable housing production strategy based on the PES Housing Needs Assessment & Bonus Height Analysis and integrates with the new Standards and Design Manual.
- Reform the approval process so as to increase predictability, clarify expectations and lessen application review time, as part of zoning reform.
- Use form based codes as appropriate, using a community engagement process like that being used for phase 1 of the Strategic Investment Area.
- Build affordable housing within established, neighborhoods in a way that respects their scale, block, parcel, street and alley pattern, by providing:
 - Transition Zones-to make high intensity development less imposing on established neighborhoods. Form-based codes offer techniques for transitioning, including height step-downs, buffering and screening of parking garages.
 - Missing Middle Housing- allow more infill-development types in single family neighborhoods such as cottage or courtyard housing, small lots, small apartment buildings, townhouses and multi-plexes, such as the four-plexes in Minneapolis that look like one house, and are no more than 2.5 stories. The Patrick Condon (author of Seven Rules for Sustainable Communities) video about Vancouver's use of "missing middle housing" shows how this strategy can insert more housing units into an established neighborhood without destroying its physical scale. https://thetyee.ca/News/2017/03/27/Vancouver-Housing-Projects-Video/?utm_source=twitter&utm_medium=social&utm_content=032717-3&utm_campaign=editorial-0317
 - Standards for scale, massing, building and parking placement, block and parcel sizes, etc. in accordance with Council's 9/6/16 resolution.
 - A revised Accessory Dwelling Units (ADUs)-Revise ordinance that:
 - Does not restrict them to one rental unit.

- Provides homeowners with access to a local revolving loan fund capitalized by the City and/or foundations with the condition that they lease to low income households.
 - Includes an expanded staff to monitor compliance in partnership with a non-profit to provide management services.
 - Pursue Inclusionary Zoning legislation in the General Assembly and work with Albemarle County on a regional approach to affordable housing production, since the County already has the State's permission to implement inclusionary zoning. (See the RCLCO study -p.34.)
7. HOUSEHOLD EARNING CAPACITY. Use the PES socio-economic analysis by census tract as a baseline to set targets and regularly measure and report income, education and employment trends relative to City, Schools, University and Community College investments in skills training, transportation, excellent and flexible childcare and healthy food programs, especially in Qualified Census Tracts (2.01, 2.02, 4.01).
- Coordinate with the 2013 Growing Opportunity Study's recommendations and expand resources to remove barriers to upward mobility.
 - Tie redevelopment and construction projects to local job creation, training and hiring especially for our low wealth communities of color, as was done:
 - via City Council Resolution when expanding city employment opportunities to execute the West Main Street and Belmont Bridge projects,
 - through a partnership between the Charlottesville Redevelopment and Housing Authority (CRHA), the Public Housing Association of Residents (PHAR) and Habitat, and funded by City Council in 2018.
8. UNIVERSITY
- STUDENT INCURSIONS. This was not seen to be a major concern among the stakeholders interviewed and new privately-developed student housing seemed to reduce pressure on the neighborhoods. Tenth & Page and Venable residents however, feel otherwise.
 - INCREASE NON-STUDENT RESIDENTIAL & HOME OWNERSHIP. As more student housing is built (whether off or on grounds) there should be a concerted effort to buy, refurbish and sell former student housing to low income home buyers, UVA employees and young faculty.
 - The UniverCity Program creates homeownership opportunities in neighborhoods near downtown Iowa City and the University of Iowa campus, <https://www.icgov.org/UniverCity>. (Note: Planning faculty and Vice Provost, Lewis Nelson area aware of this program.)
 - Schedule a City Council meeting with President Jim Ryan and the Board of Visitors to directly address university impacts on affordability.
9. EXECUTION. Seattle, Austin, Salt Lake City and other cities experiencing an affordable housing shortage, all sought outside professional assistance to craft their housing strategies and change zoning and development review processes so as to ensure affordability in a period of rapid urban growth. See this article from the National League of Cities. https://citiesspeak.org/2018/04/20/how-booming-salt-lake-city-can-keep-housing-affordable/?utm_campaign=editorial-content&utm_medium=email&utm_source=informz&utm_content=weekly-042118&utm_term=text-slc&zs=KH0gW&zl=iVcF1.
- Secure outside professional assistance to complete the comprehensive plan in concert with a comprehensive affordable housing strategy.
 - Coincidentally rewrite the city-wide zoning ordinance to implement both the comprehensive plan and affordable housing strategy.
 - Ensure that culturally/racially sensitive facilitation is ongoing, on-site and fully integrated with the professional planning, design and technical team.

APPENDIX A

CORRIDORS	HEIGHT by right (max)	HEIGHT special use permit (sup)	DENSITY (du/a) by right	DENSITY (du/a) sup
Downtown D	70'	101'	43	240
Downtown Ext DE	101' (mu) 50' (other)	None- 101 or 50	43 (mu) 21 (multifam)	240 (mu)
Downtown North DN	5 stories (prime) 3 (link)	None- 5 stories or 3	43 (mu) 21 (res)	120 (mu)
West Main West WMW	75'	None-75	64	180
West Main East WME	52'	None-52	43	120
Cherry CH	50'	None-50	21	43
High Street HS	35'	None-35	21	none
Neighborh'd Com NCC	45'	60'	21	43
Highway corridor HW	80'	None-80	none	43
Water Street WSD	70'	101'	43	240
Urban Corridor URB	60'	80'	21	64
South Street SS	45'	None-45	43	240
Corner District CD	50'	None-50	43 (mu) 21 (res)	120
Central City CC	50'	80'	43 (mu) 21 (res)	120
University Med UMD	50		22-64	
University High UHD	50		22-64	
Industrial Corridor IC	4 stories	6 stories (mu)		22-43, 44-64

CORRIDOR COMPARISONS by Kathy Galvin 7/14/18

- Most areas of the city cannot support more than 4 story buildings or 48 to 50' tall and still build affordable units on site.
- Other parts like downtown and west main can support 5 story buildings or 60'-63' tall and still build affordable units on site.
- YELLOW- incentivizes the building of midrise buildings (greater than 4 or 5 stories) where affordable units would not be feasible.
- GREEN- allows more building height but not enough to incentivize over five stories due to the cost of more expensive construction systems.

APPENDIX B

“DRAFT” RESOLUTION: “Value Capture” or Community Benefits District for the Water and Water Street Extended Corridor (Galvin 4/2/18)

WHEREAS, according to the Federal Reserve Bank of Minneapolis, “Economic development projects that have been promoted as boons for an entire city or community have often left low- and moderate-income neighborhoods missing out on the touted gains,” and

WHEREAS, a Charlottesville strategy to earmark tax increment revenue from Preston Avenue’s redevelopment (within the boundaries of Qualified Census Tracts 201 and 202) patterned after Arlington Virginia’s, Columbia Pike Tax Increment Financing Area and Transit Oriented Affordable Housing Fund is currently being developed to support the development of affordable housing on Preston Avenue using Low Income Housing Tax Credits (LIHTC) as part of the City’s Affordable Housing Production Action Strategy;

WHEREAS, Charlottesville’s budget policies allocate up to 40% of new City real estate and property tax revenue to the Charlottesville City School Division;

BE IT RESOLVED, that the Charlottesville City Council hereby directs staff to develop a tax increment strategy encompassing properties on Water Street and Water Street Extended (see “draft” map below) whereby initially:

- 25% of new City real estate and property tax revenue generated by redevelopment and rising assessments of properties with frontage along the Water Street and Water Street Extended Corridor (subject to City Council approval each fiscal year) will be dedicated to supporting affordable housing redevelopment and development within the Qualified Census Tract (QCT) 401 immediately south of the Water Street and Water Street Extended Corridor, inclusive but not limited to Friendship Court, Crescent Halls, 6th Street and South First Street; and
- The amount of tax increment revenue will be determined by setting a baseline assessed value of all relevant properties along the aforementioned corridor on July 1, 2018 (subject to City Council approval each fiscal year).

BE IT FURTHER RESOLVED, that a status report on the development of the Water Street and Water Street Extended Community Benefits District will be included in the City’s overall Affordable Housing Production Action Strategy to be presented to the City Council in May 2018.

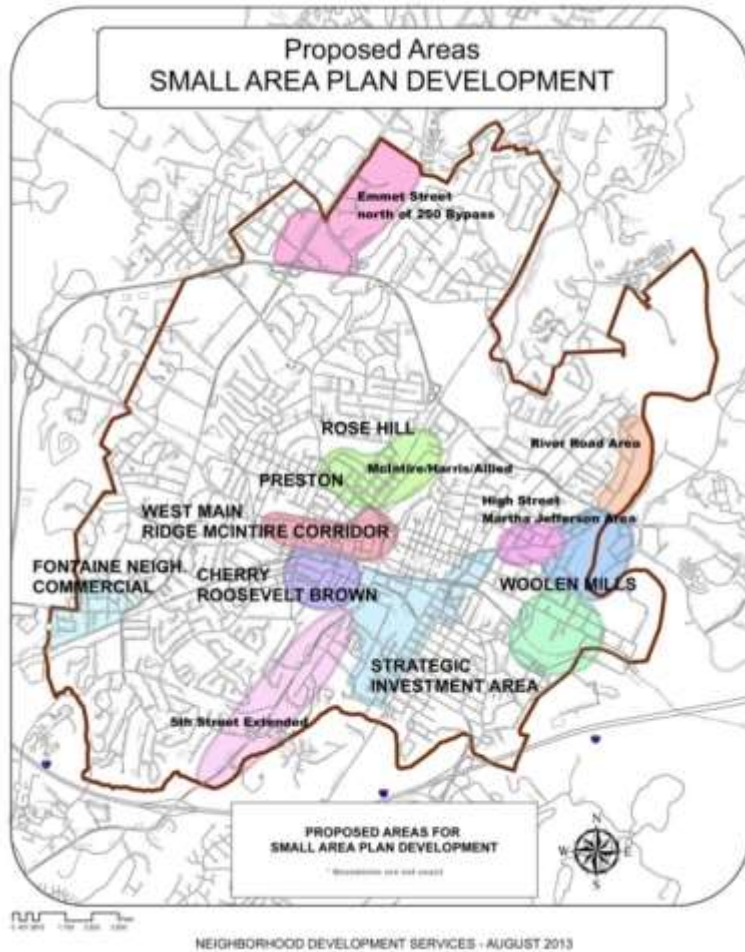
Map of Proposed Water Street & Extended Tax Increment District

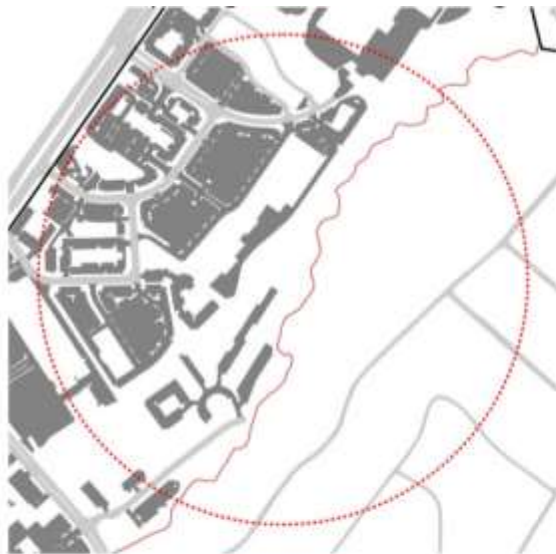


Note: this strategy could apply to other corridors besides Water Street/Water Street Extended such as West Main, Preston and others.

APPENDIX C

The sample diagram and “build out” table below of the Seminole Trail Shopping Center along Hillsdale Drive, represents the **CONCEPTUAL** work of a UVA planning student in the spring of 2017. It is **NOT FOR DEVELOPMENT OR CONSTRUCTION** and was **NOT THE PRODUCT OF A COMMUNITY ENGAGEMENT PROCESS**. The students were tasked with redesigning the City’s small area planning areas in accordance with Virginia’s Code for Urban Development Areas (UDAs), and the City’s need to preserve all existing affordable housing (in accordance with the Residents Bill of Rights for Redevelopment), expand the supply of affordable housing and increase bus ridership so as to reduce headways (wait time.) This work also illustrated potential ways that grayfield and brownfield sites could be put to better use to achieve these goals. This student work predates the Hydraulic Small Area Plan, (see note 5, page 10 below.)





Hillsdale Drive-Existing Parking Lots
NOTE: the actual Hillsdale/Hydraulic small area plan identified 100 acres of parking lot.



Hillsdale Drive-Existing Development. Includes: former Giant Food Store, Whole Foods, Michie Drive Apartments.



Hillsdale Drive-New Design @ Full Build-Out
343 new units (from 2.41 DUA to 3.54 DUA)

	HIGH BUILD OUT	New DUs	Exist'g	Combined DUs	Before DU/A	After DU/A
	Hillsdale	343	734	1077	2.41	3.54
	LOW BUILD OUT	New DUs	Exist'g	Combined DUs	Before DU/A	After DU/A
	Hillsdale	86	734	820	2.41	2.7

NOTE 1. According to the PES Housing Needs Assessment, the city's affordable housing needs in 2017, total **3,318** SAUs. Adding the 657 units of housing financed under the Low Income Housing Tax Credit (LIHTC) program that do not need rehabilitation, means the total number of SAUs needed in 2018 is 3,975 or 20% of the total 19,937 units identified in the City in January 2017.

NOTE 2. The "High Built Out" numbers strove to reach the densities (i.e. ridership) needed to support transit (see Note 4). They did not consider construction economics or impacts of inflation.

NOTE 3. The "Low Built Out" numbers used the Weldon Cooper growth projections namely that the City's total population will be 55,962 people by 2045 which translates into 24,331 total units of housing at 2.3 persons per household. That is 4,394 more units than we have today. If just 50 SAUs were built in each of the twelve SAPs/year (in a 3 or 4 story apartment building) then 600 units could be built/year. At that rate, the City would meet a 20% goal for SAUs in less than ten years, not including what could be built within our established neighborhoods via Accessory Dwelling Units and the insertion of more "missing middle" housing types, or the additional affordable housing units being built by PHA and CRHA.

NOTE 4. Based on a review of 11 TOD design guidelines across the United States, Reid Ewing gleaned these pervasive rules of thumb:

- 7 units per acre (basic bus service);
- 15 units per acre (premium bus service with 15 minute headways or less); and
- 20 to 30 units per acre (rail services).

NOTE 5. The Hydraulic Land Use and Transportation Small Area Plan (roughly the same area as the Hillsdale Student Design above), calls for affordable housing within a walkable neighborhood, enabled by new zoning and infrastructure. (See the Small Area Plan, adopted May 2018, http://www.route29solutions.org/documents/hydraulic_small_area_plan_final_report_2018-apr-03.pdf.)

APPENDIX D

“Draft” RESOLUTION for a City-Wide Strategy to Accelerate the Production of Supported Affordable Housing within the City of Charlottesville’s Small Area Plans (first version presented to Council in July 2017, revised version for March 2018- Galvin)

WHEREAS Charlottesville’s Goals for Affordable Housing, adopted by City Council on February 1, 2010 made increasing the ratio of supported affordable housing units (SAUs) to 15% of total housing units by 2025, up from the 10% ratio identified in the January 2017 Housing Report;

WHEREAS According to the PES Housing Needs Assessment, the city’s new affordable housing needs in 2017, total **3,318** SAUs which when added to the 657 units of housing financed under the Low Income Housing Tax Credit (LIHTC) program equals 3,975 or 20% of the total number of the City’s 19,937 units in January 2017.

WHEREAS, Charlottesville’s 2013 Comprehensive Plan: supports housing programs that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households without access to programs and amenities that foster economic mobility, health and well-being; supports development along the City’s Mixed Use Corridors, that encourage vitality, pedestrian movement, and visual interest; and identifies several small area plans that will provide the basis for future planning, urban design, and investment;

WHEREAS, the Charlottesville City Council since June 2017 has directed staff to:

- undertake a city-wide housing needs assessment,
- develop a Land Bank ordinance that prioritizes affordable housing, and inventories all city-owned land and assess its feasibility for redevelopment,
- create Community Benefit Tax Increment (CBTI) Districts for Charlottesville’s High Growth Corridors that will provide dedicated funding for low income housing development, and a Tax Increment Finance District to cover the debt service of infrastructure investments.
- develop a city-wide affordable housing production strategy that includes all of the above applied to the city’s small area plans.

BE IT RESOLVED that the City Council of Charlottesville hereby directs staff, in consultation with the Housing Advisory Committee (HAC), the PLACE Design Task Force and the Planning Commission to establish for each Small Area Plan as identified in the 2013 and 2018 Comprehensive Plans:

- **Housing Rehabilitation Zones (HRZ)** pursuant to Virginia Code §36-55.64, **a Real Estate Tax Exemption Program** in coordination with the Assessor’s Office for building new structures and improvements to existing in a HRZ, pursuant to §58.1-3219.4, and **a Zoning Incentive Program** pursuant to Virginia Code §15.2-2305, via a community-driven form based code that uses height bonuses to build more affordable housing units on-site in private developments;
- **“Value Capture” or Community Benefit Tax Increment (CBTI) Districts as appropriate;**
- **a Public, Private Partnership mechanism** whereby the City reduces the cost of developing SAUs by either non-profit or for-profit developers via funding assistance for structured parking, streets and parks, grocery stores and others; and
- **SAU production targets** for each of the City’s Small Area Plans such that the City meets its supported affordable housing needs in keeping with the 2018 Housing Needs Assessment and Bonus Height Studies, the City’s Affordable Housing Production Strategy and the 2018 Comprehensive Plan.

BE IT RESOLVED that the City Council of Charlottesville hereby directs staff to provide Council with a **Strategy to Accelerate the Creation of Small Area Plans and the Production of SAUs within the City’s Small Area Plans** for adoption and implementation as part of the City’s affordable housing production strategy.