



CITY OF HARRISONBURG
OFFICE OF THE
CITY MANAGER

HARRISONBURG CITY HALL
 409 SOUTH MAIN STREET, HARRISONBURG, VA 22801
 OFFICE (540) 432-7701 • FAX (540) 432-7778

To: Department of Community Development
 From: Liz Webb, Housing Coordinator
 Date: January 12, 2023
 Subject: Housing Coordinator Analysis of the Bluestone Town Center

Request Summary

Petition Details

Applicant(s) Harrisonburg Redevelopment & Housing Authority	Application Received December 9, 2022
Owner(s) See attached list	Planning Commission Hearing January 17, 2023
Project Planner(s) Blackwell Engineering	City Council Hearing Anticipated February 14, 2023

Proposal

Create a Medium Density Mixed Residential Planned Community on 89.75 acres of up to 900 units, in a town center style that will include a community building and retail space. Residential purposes include for-sale townhomes (~324) and single family manufactured homes (~133), and rentals consisting of senior apartments (~60), garden-style (~240), townhome above retail (~25), and multifamily (~115).

Change Type

✓ Rezoning	From R-1, R-3, and B-2 to R-7
✓ Zoning Text Amendment	To allow manufactured homes To allow up to 50% as multi-family units (from 30%) To allow up to 64 units per multi-family building (from 16)

Finance Requests: Yes	Proffers: Yes	Tax Abatement: No
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Proposed Residential Units by Type

The phased development consists of 897 residential units (440 rental and 457 for-sale):

	Phase 1	Phase 2	Total
Rental	191	249	440
Senior (ages 55+)	60	0	60
Multifamily, garden-style, & townhome style over retail	131	249	380
For Sale	271	186	457
Townhomes	171	153	324
Single family manufactured	100	33	133
TOTAL	462	435	897



Housing Needs and Affordability Analysis

	Housing and Affordability Needs	Vision and Project Design	Location and Transportation
Goal	616 new rental units by 2025, with housing affordable at the lowest income levels needed most. For-sale opportunities are needed at all levels and types.	A mix of housing types and price points across the city and throughout its neighborhoods, with high-quality affordable housing logistically integrated. Developments are creatively designed to protect environmental resources and promote community green spaces.	Areas near transit, employment, commercial centers, and downtown are well suited for housing, and affordable development in particular.
Factors Favorable	The project provides affordable rental opportunities to low-income (80% AMI) households and homeownership opportunities to moderate income (80%-120% AMI) households, meeting identified needs at substantial volumes.	The project diversifies rental and homeownership options at price points the city has identified that there is a need for, with a mix of unit types.	The site is walkable to parks; schools; and shopping, and the applicant has proffered bus stops and pedestrian connections.
Factors Unfavorable	Income restrictions on for-sale units are at initial purchase only, with no commitment to long-term affordability by deed restriction and/or right of first refusal by the developer. Without <i>price</i> restrictions, the pool of income-eligible buyers may be limited. Without policies to help first time homebuyers, working families, etc., buyers with greater access to capital resources could be favored over those with greater need.	For-sale and rental units are separated throughout the project, which lacks market rate units that would create a truly mixed income community. A significant area of the designated common open space or park area is adjacent to for-sale units with no public egress for community residents. Recreational open space is not as accessible to the rental units as it is to the for-sale units.	The Comprehensive Housing Assessment and Market Study puts the site in <i>Market Type B</i> , which overall has below-median access to amenities, and as such, is not ideally suited for new affordable housing. Public transit is limited; the site is not close to downtown and major centers of business and commerce.

Questions and Requested Modifications

- Project-based vouchers are a valuable resource, often sought by affordable housing developers because they enhance a project’s competitiveness for tax credits. If project-basing 75 vouchers at Bluestone Town Center effectively curtails subsequent opportunities to project-base vouchers, it will likely discourage future development of affordable rental housing. Assurances that HRHA is open to adopting a regular, standard RFP process for developers to apply for project-based vouchers are encouraged.
- Incorporation of long-term affordability in for-sale units is highly recommended, and details on further plans to address and reduce barriers to homeownership among moderate-income families are encouraged.



Proposed Affordability Provisions

Rental (440 Units)

- *Affordability Period:* 30 years
- *Income Restriction:* 80% AMI maximum; see handout
- *Rent Restriction:* Gross rents capped by tax credit¹ rules; see handout
- *Other Restrictions/Preferences:*
 - 75 vouchers will be project-based at the development
 - Eligible households that live and/or work in City or County are prioritized on the waitlist
- *Compliance Monitoring:* Virginia Housing (rent and income restrictions)

For-Sale (457 Units)

- *Affordability Period:* None
- *Income Restriction:* Initial buyer only must have income between 80% - 120% AMI; see handout
- *Sale Price Restriction:* None
- *Compliance Monitoring:* Developer manages the income restriction at the initial sale

Transportation Access

- *Pedestrian & Bicycle:* Connects to Rocktown Trails / Shared Use Path. Proffered commitments of crosswalks to nearby commercial areas.
- *Public Transit:* Bus Route 3 (hourly)
- *Roads:* Bounded by two collector streets (Erickson Ave & Garbers Church Rd) and near one principal arterial (South High St)

Housing Coordinator Recommendation

From a housing perspective, some questions about this project remain unanswered, and certain modifications would improve its favorability. Overall, as described in the Housing Needs and Affordability Analysis, favorable factors outweigh unfavorable factors, and the project is anticipated to have a positive impact on affordable and workforce housing needs. The Housing Coordinator recommends approval, preferably with questions addressed and recommended modifications incorporated.

¹ Affordable housing including LIHTC is assessed in accordance with §58.1-3295 requirements.