



CITY OF HARRISONBURG COMMUNITY DEVELOPMENT

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January 31, 2022

**TO THE MEMBERS OF CITY COUNCIL
CITY OF HARRISONBURG, VIRGINIA**

SUBJECT: *Consider a request from A/H Harrisonburg Regal LLC with representatives Armada Hoffler for a special use permit to allow multiple family and/or mixed use buildings at 381 University Boulevard*

**EXTRACT FROM MINUTES OF HARRISONBURG PLANNING COMMISSION
MEETING HELD ON: January 12, 2022**

Chair Finnegan read the request and asked staff to review.

Ms. Dang said that the Comprehensive Plan designates this site as Commercial. Commercial uses include retail, office, professional service functions, restaurants, and lodging uses. Commercial areas should offer connecting streets, biking and walking facilities, and public transit services. Interparcel access and connections are essential to maintaining traffic safety and flow along arterials. Parking should be located to the sides or rear of buildings.

The following land uses are located on and adjacent to the property:

- Site: Movie theater, zoned B-2
- North: Undeveloped land and commercial uses, zoned B-2
- East: Commercial uses zoned, B-2
- South: Commercial uses zoned, B-2
- West: Commercial uses zoned, B-2

The site is a +/- 9.5-acre through lot with frontage along University Boulevard and Evelyn Byrd Avenue. Currently, the Regal Harrisonburg movie theater operates on the site. If the special use permit (SUP) request is approved, the applicant intends to develop 274-multiple-family dwelling units with a parking garage on a portion of the site while also maintaining the Regal Harrisonburg structure. Note that this SUP is requested simultaneously with a Zoning Ordinance (ZO) amendment request that, if approved, would create the ability for property owners within the B-2

district to apply for a SUP to allow for multiple-family dwellings and/or mixed use buildings. This report presumes that the ZO amendments are approved as submitted by the applicant.

As would be required by Section 10-3-93 (d), the applicant has submitted a development plan with the SUP. Proposed Section 10-3-93 (d) states that “[f]or multiple-family dwellings and mixed use buildings, the development plan submitted with the special use permit shall govern development on the site and shall be used as a basis for subdivision and engineered comprehensive site plan approval.” If the SUP is approved, then details of the development plan would be used to ensure that what is proposed and evaluated during the SUP review is what is developed. If significant deviations are desired by the property owner in the future, then the property owner must amend the development plan by going through the SUP process again.

Features of the development plan submitted with the SUP that would be used as the basis for engineered comprehensive site plan approval include, but are not limited to:

1. The general location of buildings and structures as illustrated.
2. The general number of stories within proposed buildings and structures. Although the buildings and structure heights are not described on the development, the applicant is aware that the maximum height allowed in the B-2 district is 75 feet.
3. The type and general number of dwelling units within each structure and on the site. The applicant is planning to construct 274-multiple-family dwelling units.
4. The ratio of off-street parking spaces required for the multiple-family dwellings, which would be one off-street parking space per dwelling unit per the development plan submitted for the Planning Commission (PC) agenda packet. However, since the PC agenda packet was published, the applicant informed staff that they desire to update the development plan to require a minimum of 1.3 off-street parking spaces per dwelling unit. The proposed ZO amendment in Section 10-3-25 would require a minimum of one off-street parking space for each dwelling unit or as may be more or less restrictive as conditioned by the SUP. So long as the minimum required parking spaces is provided per the ZO or a condition of the SUP, the site would be in compliance with the regulations.
5. Details such as the note on the development plan that states: “A continuous ingress and egress easement for use by bicyclists and pedestrians from the entrance on Evelyn Byrd Avenue to the entrance on University Boulevard. This easement leaves open the ability to reconfigure the location of the path if the theater portion redevelops, but ensures that there’s still a way for bicyclists and pedestrians to travel through the property.”
6. Construction of sidewalks and crosswalks within the site.
7. Installation of “sharrow” lane markings on the private road between Evelyn Byrd Avenue and University Boulevard. This is to ensure awareness of the use of the private road by people biking.

8. Removal of an existing site access (entrance) along Evelyn Byrd Avenue.

As required by Section 10-3-118 of the Zoning Ordinance, since the proposed multiple-family dwellings meet the threshold for the City to be able to review a traffic impact analysis (TIA), staff requested for traffic to be evaluated. The TIA evaluated the traffic impacts of a proposed 274-unit multiple-family residential development and parking garage and analyzed traffic operations at seven study intersections during the AM and PM peak hours. The TIA study concluded that “[b]ased on findings of the analysis, it was determined that the proposed project does not result in significant nor adverse impacts on the surrounding roadway network. Therefore, mitigation measures including geometric and capacity improvements are not recommended.”

Although the applicant did not illustrate on the development plan construction of sidewalks along the frontage of University Boulevard and a short section of Evelyn Byrd Avenue frontage, the applicant is aware that sidewalk construction and dedication of right-of-way or public sidewalk easement will be required when the site is further developed.

Staff encouraged the applicant to consider adding tree plantings on private property along University Boulevard into the development plan. The applicant responded that they are willing to consider the incorporation of trees as the design develops, but that they cannot commit to tree plantings at this time. The applicant noted the existing steep grade along University Boulevard and stated that they would prioritize construction of sidewalks along University Boulevard if both sidewalks and trees are not feasible.

With regard to public transit, Route 1 serves Evelyn Byrd Avenue and residents of the proposed multiple-family development would be well served by public transportation. Staff recommends the following condition be added to the approval of the SUP:

- The property owner shall construct and dedicate necessary right-of-way or provide an easement for a bus pull off and concrete pad for a bus shelter along Evelyn Byrd Avenue.

The location of the bus pull off would be determined during the engineered comprehensive site plan phase of the project in coordination with the Departments of Public Transportation and Public Works. The City has offered to provide a bus shelter.

Since the PC agenda packet was published, the applicant has offered the following additional self-imposed conditions.

- The property shall not contain dwelling units that have more than three (3) bedrooms.
- The one-bedroom dwelling units on the Property shall make up at least 10% of the total dwelling units on the property. The three-bedroom dwelling units on the property shall make up no more than 40% of the total dwelling units on the property.

The City’s Comprehensive Housing Assessment and Market Study (Housing Study), which was completed in January 2021 identified a shortage of rental housing units that are affordable to

the lowest and highest income renter households (0-30% and above 80% AMI) and found that “[t]here is significant mismatch with many higher income households residing in more affordable units and lower income households residing in more costly units.” Among renters, the study noted several key findings of the housing mismatch, which included:

- “There are significantly more households than units in the 0-30% AMI tier. This tier includes most student households (including dependent and independent students), persons needing supportive housing, elderly households, and other household types that are non-student, non-elderly households.
- The vast majority of rental units are naturally occurring affordable housing, meaning that the unit is affordable to a household earning up to 80% AMI without public subsidy; 81% of all rental units are affordable to households with incomes up to 80% AMI.
- Because there are many more households with incomes above 80% AMI but few available for this income tier, these higher income households occupy rental units that cost less, therefore increasing competition among lower income households for the affordable units.
- The vacancy rate is low; CHAS [Comprehensive Housing Affordability Strategy] data identified that only 2% of rental units were vacant.”

The Housing Study explained that when the rental vacancy rate is low at 2% (or 3.5% per American Community Survey data), it indicates “a very tight market with an inadequate inventory. This creates high levels of competition within the market as renters compete for scarce units and where the lowest income households have the fewest options.”

Another component of the Housing Study places the subject site within Market Type A and notes that “priorities and policies that are appropriate to market Type A areas include an emphasis on increasing density through zoning changes, infill development and housing rehabilitation to maintain the quality of housing.” Staff believes that the proposal utilizes a component of the recommendation by creating an opportunity for infill development.

With regard to the Comprehensive Plan, Traditional Neighborhood Development (TND) principles are encouraged to be included in all developments throughout the City. While the subject site on its own would not incorporate all the ideals and characteristics of TND, adding multi-family dwelling units at this location would incorporate some of those characteristics such as: having a neighborhood that allows residents to work, shop, and carry out many of life’s other activities; and allowing residents to walk, ride a bicycle, or take transit for many trips between home, work, shopping, and school.

From a design and site layout perspective, staff likes the applicant’s proposal to mass buildings and structures close to the private drive aisle and to Evelyn Byrd Avenue. The four-story garage structure is also an efficient use of space for vehicular parking. Staff believes that the design will create an environment that is more accessible, interesting, and safer for pedestrians, bicyclists, and motorists. Furthermore, adding more residential units to the market will benefit the community’s need for more housing and for people who want to live in the City.

Staff recommends approval of the SUP request with the following conditions:

- The property shall not contain dwelling units that have more than three (3) bedrooms.
- A minimum of 1.3 parking spaces per dwelling unit shall be provided.
- The one-bedroom dwelling units on the Property shall make up at least 10% of the total dwelling units on the property. The three-bedroom dwelling units on the property shall make up no more than 40% of the total dwelling units on the property.
- The property owner shall construct and dedicate necessary right-of-way or provide an easement for a bus pull off and concrete pad for a bus shelter along Evelyn Byrd Avenue.

Chair Finnegan asked if there were any questions for staff.

Chair Finnegan asked, are we calling one apartment with three bedrooms a unit? It is not bedrooms?

Ms. Dang said yes. A dwelling unit is not per bedroom. A dwelling unit is a household.

Mr. Fletcher added it is one contained unit with kitchen facilities. It is one unit with three bedrooms.

Chair Finnegan asked to see the presentation slide with the traffic flow past the theater. It looks like that is the de facto road that is running through the middle. That is shared with the Regal theater, so someone going to the theater might drive out onto Evelyn Byrd Avenue or vice versa.

Ms. Dang said that is right. It is a private travel lane that would go through there.

Chair Finnegan said so it is not cutting off the traffic here. Were there any concerns about too much traffic when the movie lets out and there are a bunch of people walking on what looks like a crosswalk there or any other traffic concerns related to the movie theater?

Ms. Dang asked are you talking about the interior traffic flow on the site?

Chair Finnegan said if a movie lets out, a bunch of people are driving out onto Evelyn Byrd Avenue, there is a lot of foot traffic from the parking deck. Is that a concern?

Ms. Dang said I would ask the applicant to answer that.

Commissioner Whitten said I wonder about schools. Will kids go to elementary at Smithland Elementary and middle school at Skyline Middle School?

Ms. Dang said I do not know. I would have to look it up and see what the boundaries are.

Commissioner Whitten asked does the school administration, whoever oversees this for them, have they looked at this plan.

Ms. Dang said we send these review packets every month to the administrative staff at the schools.

Commissioner Whitten asked do we have any numbers generated for anticipated enrollment for schools from this development.

Ms. Dang said I do not.

Commissioner Whitten said that is one nice thing at Rockingham County when they are looking at something like this. They do have those numbers. They are mindful of how full the schools are. I think that would be helpful.

Chair Finnegan said I believe that would be correct, even if they eventually redraw lines with the new high school. I would imagine this is closest to Smithland Elementary.

Mr. Fletcher said I am looking at the map now to confirm. What I am seeing is that it is Stone Spring Elementary School and Skyline Middle School. That is currently on their website. The boundary is East Market Street.

Commissioner Whitten said I think Stone Spring Elementary is pretty full. I go there a lot.

Ms. Dang said we did receive public comments, in writing, prior to this meeting. We have received one public comment during this meeting. While I was presenting the previous one, there was a second public comment submitted. I will share it with you. It was from Kristy McComb who says, "This is not good for Harrisonburg or the surrounding businesses and neighborhoods. University Boulevard cannot handle the current traffic and has not been taken into consideration." There was a third public comment that I had anticipated from somebody who was also concerned about traffic, but I have not received that email yet, or they may have forgotten the attachment.

Commissioner Whitten said I do not think I saw the first one you referred to. Could you tell us about that one?

Ms. Dang said that one was from Jeff Forbes. He first asked about the building and the number of dwelling units. Keep in mind that this was before the applicant's self-imposed conditions about the dwelling units being limited to three bedrooms, as well as the maximum/minimum ratios of certain bedroom configurations. He said "there will be a mix of one to possibly four bedroom units in this project since one bedroom units economically will not work." He is concerned about the number of parking spaces that were required. Again, that was before the applicant set the condition of 1.3 parking spaces per dwelling. He described that in the other zoning districts we require anywhere between 1.5 to 3.5 parking spaces per unit, depending on the number of bedrooms. The other concern is related to traffic and the TIA. He questioned how many beds were used in the study and if it was only 274, that would be substantially less than what would be the potential for this project because 274 represents the number of dwelling units, not the number of bedrooms.

Commissioner Armstrong said I also question the TIA because they are assuming the peak times are a.m. and p.m. as if it is commuter traffic. Those are not the peak times if it is predominantly

students, that would be the current class schedule. Along Port Republic Road and particularly where the university comes into Port Republic Road, it is bumper to bumper as far as you can see out Port Republic Road, depending on class schedule not on a.m. or p.m. peak hours. It seems to me that they are not really measuring actual peak traffic in this region. I also think this is a big burden to be putting onto University Boulevard in both directions, also out Port Republic Road.

Commissioner Byrd said is that road Port Republic Road? No, that is Reservoir Street. Reservoir Street is the road you are concerned about.

Chair Finnegan said Reservoir Street is the one that connects in with both of those roads.

Commissioner Byrd said Port Republic Road is very far away. Reservoir Street does meet the exact same statements that you said for Port Republic Road. It is still bumper to bumper for different portions of the day relative to students moving from that side of the University property. I was just pointing out that Reservoir Street is a much closer street to the traffic issue that you are discussing as opposed to Port Republic Road that is further away physically.

Commissioner Armstrong said that depends on the direction in which students need to travel.

Chair Finnegan said he is saying that where this is located, both of these roads intersect with Reservoir Street, both Evelyn Byrd Avenue and University Boulevard.

Commissioner Armstrong said I understand that. The other end of University Boulevard, which I do not know where all the traffic is coming down there during those peak student hours, but it is coming down University Boulevard emptying onto Port Republic Road. This could also worsen that condition.

Chair Finnegan asked if there were any more questions for staff. Hearing none, he opened the public hearing and invited the applicant or applicant's representative to speak to their request.

Jennifer Harris said we do have our traffic engineer on the phone and he can address any concerns with the reports. We would be happy to work with staff if there are different hours that should be looked at to see what the effect would be. We are happy to run additional different timeframes to see what the impact would be at the various intersections. The nighttime-daytime is typical to run for apartments, not knowing what our mix of residents will be. It is not our intention for this to be student housing, but until we get out there, we do not know who are intended target will be when it shows up.

Chair Finnegan asked is the intention to lease per bedroom or to lease per unit.

Ms. Harris said the intention is to lease per unit.

Chair Finnegan said can you speak to the movies letting out, all of the other businesses along University Boulevard, people cutting through? Right now, that is a cut through to avoid traffic on Reservoir Street for a block. They have speedbumps there. Are there going to be speedbumps near

the crosswalks? How is that through-traffic from Evelyn Byrd Avenue, that cross-traffic, going to be addressed?

Ms. Harris said we are happy to work with our engineers and staff to discuss recommendations. We are happy to add or create the crosswalks, speedbumps where recommended or deemed appropriate. We understand that it is a cut-through, although it has been brought up as a very critical connectivity point for the community and definitely for Regal. That cross-connection is important to them to have two ways to empty out the theater.

Donaghvan Brown said there are currently four speedbumps in that location, and they are very closely located to the crosswalk.

Chair Finnegan said I do not know that another TIA will be done if you check the box that you need to check legally. Certainly, market analysis has been done. You must have some sense of what these units will cost and what sort of individuals or families will be living there. Is there a target market here?

Ms. Harris said we did complete a market study. We do have a current mix that we are looking at. It is a mix of studios, one and two bedrooms and a small portion of three bedrooms, and then some townhome units to line the garage. Those are slated to be two-bedrooms.

Mr. Brown said that most of the demand for our property would be targeting folks in the higher income bracket within Harrisonburg. We are not necessarily going to attract students, unless that student comes from a wealthier background. We cannot control that. From a student housing price perspective, they will be priced out of that area for our particular development. We do not intend for them to occupy a large portion of our development.

Chair Finnegan said there is concern from neighboring property owners about parking. There is not enough parking. If you have estimates for the public record and for the Planning Commission, how much does one parking spot cost. The most recent estimate I heard is somewhere between \$20,000 and \$25,000 per parking space in Harrisonburg. How does that impact the price of the units?

Ms. Harris said we are contemplating a precast garage which is more economical than a cast-in-place. Right now, we are seeing costs around the \$20,000 per space. The figure you quoted is in the ballpark. I wish I could say that it would stay that way, when we actually go to bid this in six months. Across the board, construction pricing is up 20 percent in the last year, so it is hard to tell where pricing is going to go in the next six months.

Councilmember Dent said the garage is a great idea. It is more dense and less use of surface. There is also a listing of 312 surface parking. Where is that? Is that combined with existing parking?

Ms. Harris said yes, that is in front of the Regal. Mostly that would be used by the theater. The residents would park in structured parking across from the units.

Councilmember Dent said there is a courtyard on the design plan that I find interesting. Is it green space or patio?

Ms. Harris said it is more patio. Mr. Tormeno, what is your vision on the courtyard?

Patrick Tormeno, architect with B&B Architecture, said the internal courtyard is likely to be an amenity space for the residents. I think pool deck, grilling stations, lounge furniture, gaming, stuff like that. There is a secondary courtyard that is open to Regal that will be more of a public courtyard. That design is still in flux. It is likely to be a mix of semi-private to public usage. Maybe a small dog run for residents. We are still in the planning stages.

Chair Finnegan said I believe that we have Mr. Boyd on the line who is the traffic engineer. Is that correct?

Mark Boyd, engineer with Kimley Horn, said Omar Kanaan is the traffic engineer. I am on the civil side.

Commissioner Armstrong said you say in the application that staff encouraged you to consider adding tree plantings, and your response is that you will not commit to this at this time. What I see from this application is not a single tree being planted. Is that correct?

Mr. Brown said that is not correct.

Ms. Harris said I am not sure why we would respond that way. Mr. Boyd can respond more on this from the civil engineering layout. I am sure that there is a minimum tree requirement even with the B-2 district. There are trees up and down Evelyn Byrd Avenue. I am sure that we will have trees located on the cross-street, along the bike path and the sidewalks, to create a more inviting environment.

Mr. Boyd said that we will have a landscape plan as part of the site development process. You are correct that we do not show anything on the current development plan with the SUP, but that does not mean that we will not include landscaping to meet City requirements with the site plan process.

Ms. Dang said the comment that Commissioner Armstrong is referring to is along University Boulevard specifically. Since that is an existing parking lot, it is non-conforming to our parking lot landscaping requirements. If I recall correctly, I believe Mr. Brown was on the call with me and Alex Olson talking about Armada Hoffler's interest in putting trees but that you did not want to commit because there also needs to be room for the sidewalk to go there, too. There is a relatively small strip of flat area where the sidewalk would go, then the slope drops off significantly. My recollection was that your team was concerned about submitting something that might not be feasible.

Mr. Brown said if you go out there and look at the steepness of that location, if you want to commit to a sidewalk, which we intend to do, we need to prioritize that. If we do add a series of trees in that location, it would probably require a retaining wall and additional structures that may not be feasible for that height location.

Mr. Boyd said the sidewalk along University Boulevard, today, stops where the Buffalo Wild Wings retail development is next door. If we continue that same section with the three foot grass strip and the five foot sidewalk, the edge of that sidewalk would be on a very steep slope if you try to put it in today. As Mr. Brown was alluding to, to add street trees to that section, we would have to push back that slope and likely add a retaining wall to the property just to put in street trees and a sidewalk. I do not want to speak for Armada Hoffer, but it is not something that we are saying no to, it is that we are still studying how that can be put on the design plan.

Chair Finnegan asked if there were any questions for the applicant's representative. Hearing none, he asked if there was anyone on the phone wishing to speak to the request.

Kristina McComb, 362 Blue Stone Hills Drive, called in regarding the request. Thank you for this opportunity. First, any and all potential easements that could be retroactive should not be allowed and should be planned for and approved now before any further plans are put into place. I am a little concerned about the question and the response about which school this residential area would impact. Finally, I do not think that the traffic study is thorough enough and does not take into consideration the additional traffic burden it will put on not only Evelyn Byrd Avenue, Reservoir Street, and University Boulevard, but other leading roads out of these areas. I believe the traffic study is not thorough enough and is incomplete. What about any additional modifications of existing exits and egresses east of this proposed property? There are a lot of cut-throughs. This is a wonderful cut-through to go from Evelyn Byrd Avenue to University Boulevard and you are only going to make it worse. I do not see any mention of a sediment and erosion control plan which is concerning because this property is on a slope. I do not feel that all questions have been answered well enough to progress this plan forward, so I am asking that the Commissioners vote no until additional homework and additional information is provided to the citizens of Harrisonburg. These changes are in addition to the discussion about changing four lanes down to two. With that change, does the traffic change, does the traffic study include that level of detail, because you are siphoning traffic and impeding traffic flow? At any time, the traffic on Reservoir Street is terrible. The traffic on University Boulevard is terrible. It is not managed. There are not proper traffic lights and traffic patterns. And what about fire and rescue support? There are a lot of proposals to build high-density living areas along Evelyn Byrd Avenue and along Lucy Drive. You have taken into consideration the pressure that it is going to put on our fire and rescue, and we do not have enough. Vote no.

John Knauf, 120 Diamond Court, called regarding the request. I want to add to this idea of planning. There were questions that were asked about who their market was. They indicated that they would figure that out when they got here. There was not a specific answer given to the rent rates. They said they will be higher than what the university student can afford, but I doubt that is really true. Students afford a lot nowadays. If they are going to do by the bed, they will just split the cost. There is a lot of information that they do not seem to have thoroughly answered or thoroughly thought about before asking for this variance. I would encourage you to ask for more information and vote no at this point in time.

Chair Finnegan asked if the applicant wanted to respond.

Omar Kanaan, traffic engineer, said the lane reduction study was accounted for in the TIA we prepared, at the request of the City. There was an additional scenario analyzed with the lane reduction included.

Mr. Boyd said as part of the site plan process, we will be required by the City to prepare erosion control and stormwater design plans to mitigate the improvements proposed on the site. It is not shown on the development plan currently, but there will be a separate process for preparing those plans and they will be vetted by the City through their standard process. We will address any concerns that they have at that time.

Commissioner Whitten said there was a mention of the courtyard space without any mention of a playground, play space or play equipment for children. Are you not expecting to have children in this development?

Ms. Harris said right now we are not expecting to have children. That is why the semi-private/public space is open for further design as we move forward, and we start our pre-leasing. We will get a feel for who our tenants are going to be and what their needs are going to be. At that time, we can modify our amenity spaces to make sure that we are catering and supporting who our tenant base is. It is not typical for our communities to have a playground.

Commissioner Finnegan asked what do you anticipate a three-bedroom apartment to rent for in this space?

Mr. Brown said our current underwriting, and this is subject to change as the market is a fluctuating thing, it is currently at \$2,400 per month. We also have a townhome unit which has two bedrooms. That is at \$2,600 per month. For additional context, the last date of our market study, there is a property in Harrisonburg called the Urban Exchange. Their two-bedrooms are \$1,300 per month. Our two-bedroom is \$1,700 per month. So when I say “pricing students out of the market,” I visited that property to see what they actually had there. They were mostly students. Our underwriting reflects that we are not appealing to the student market. We are more comparable to The Reserve [at Stone Port] which is eight miles from the campus. We are closer and we are more comparable to their pricing. They have a more robust amenity package, including a car wash, more things that appeal to a higher class style of living. Since we are using location as our competitive advantage, we can still meet a higher price point and be less attractive to students.

Chair Finnegan asked if there was anyone on the phone wishing to speak to the request. Hearing none, he closed the public hearing and opened the matter for discussion.

Commissioner Whitten asked does staff think that meets a need for housing that we have in the City?

Ms. Dang said that it provides additional housing units. If you recall, in the Housing Study there was discussion of how people in the higher income level are pricing out people in lower income levels because there are not enough variety of units available. This could help.

Commissioner Whitten said I do remember that. I wonder if there is that much demand.

Chair Finnegan said does anyone remember the percentages for higher end and lower end? I cannot remember what the higher end was. I also do not know how that breaks down into rentals versus homes. I imagine people would be looking to...

Mr. Fletcher asked could you be more specific to the percentages question?

Chair Finnegan said that in the Housing Study there was a need for high-end housing in Harrisonburg. They were talking about affordable housing, the missing middle and higher-end housing. I do not know if any of that speaks to this market or is there a need for this?

Mr. Fletcher said the housing study spoke of the mismatch which Ms. Dang was referring to where it shows the graph. What it represents is that there are more people that fit the category than there are number of units that are available to them. When you are looking at the graph, you can clearly see that there are more people in the 0-30% AMI category than there are units affordable to them and the same scenario happens at the far end of the AMI category where it is 81% and above of AMI where there more people who fit the demographic than there are units available to them.

Chair Finnegan said to my recollection, when the Urban Exchange was built, the idea was they were going to be condos. My understanding is that those did not materialize. There was not a market for condos in Harrisonburg the way they thought there were when they built them.

Commissioner Baugh said that is right, but it also came along the time at almost the bottom of the market relative to the recession. You have that factor as well. It was, arguably, historically the worst time to have that many units to come into the marketplace. It is hard to believe that it really was not that long ago, given where we are now. I think your point is well-taken. If you look over the history, there have been a number of efforts to do these condo-type developments here and they have never worked. It was not just that one that did not. That was the problem there. They were open for business and they needed tenants. At that time, the only group that was getting produced, people who wanted to take units at that price point, were students. They turned on a dime, from condos to half students. They had completed construction and had payments to make. They needed tenants.

Chair Finnegan said ultimately, everything that we say "yes" to, whether it is affordable housing or high-end housing, the market is ultimately going to decide what the rent is and who is going to fill out the lease. It is not our job to do the market research. It is our job to look at these other concerns.

Commissioner Baugh said that is the takeaway. Most everything in the Housing Study, you live here, you could have made an educated guess about, except for this piece that we just talked about. You could have a debate about which category is worse, but the big reveal in the report says this. This is what is different about us and why our report does not look the same as everybody else's. We have a housing shortage in every category. Arguably, some of it is worse than others. You might differ about priorities, but the reality is supply is overwhelmed by demand in every category across the board.

Chair Finnegan said that is my takeaway from that report as well.

Commissioner Whitten said I do feel a great weight to be careful about how we use this land. We are going out of our way to create something in a category where it did not belong. Now it does belong, but it did not. I want to make sure that this is the right decision for this piece of property.

Commissioner Byrd said if we want to add flexibility to a business district for residential uses, I do not see why we are immediately assuming that there are going to be increased traffic issues, especially for the people who want to live there. The rest of us, like me, who need to pass through those areas, it is annoying having to do with all that traffic. If I live there, I have to make different decisions. Am I going to bike more? Am I going to take the bus more? Those residents who live there are going to have to make their own personal choices. I can see how the traffic study would say that it is really not going to make a difference. At certain times it is just terrible anyway. I do not know how you make terrible traffic situations more terrible. If they are already bad, then people start avoiding going in that direction during that time. Regarding the pass-through, if anyone leaving from that theater to go to the University, is trying to go left they are just creating more traffic because they will not be able to get out of there unless no one is going on University Boulevard. That angle is rough, and I have good eyes. I can see why people have traffic concerns about that area because anyone who has travelled it a lot knows all the little nuances of the concerns there. Creating this flexibility with the ZO, we are asking for these issues to come up. I do not see how they will not come up every time one of these is brought up, except maybe on the motor mile.

Chair Finnegan said regarding the caller's comment about using that as a cut-through, there are signs on both sides that say no through traffic and there are speed bumps. If people are using it, to me, that piece is not a concern because people should not be using it as a cut-through.

Commissioner Whitten said the motor mile, when you add the high school and you add an accident on I-81, is a nightmare. All things in perspective, if you lived in Northern Virginia, you would think that Harrisonburg at any time of day is a dream come true. You have to put this into perspective.

Chair Finnegan said that when it comes to churches, non-profits and affordable housing developments, one thing to keep in mind are the property taxes. That is what the City budget is made of. It is the source of money for the City. I think that is worth considering here. When we think about how we are going to pay for new schools and teachers, it is the property taxes that do that. All trends that I have seen is that younger professionals are not having kids at the rate that they were 10, 20, 30 years ago.

Councilmember Dent said I heartily support this conversion of useless asphalt into living space. I think that is, by far, the biggest win of this to meet the higher end, if that is what they are aiming for, of the housing mix and at the same time add infill. It is a creative use of space. I would support it.

Chair Finnegan said I agree. I used work at Regal, many years ago. I think the golden age of the cinema is over. I cannot remember the last time that parking lot was full. I cannot imagine a blockbuster big enough to fill that parking lot again. I am in favor of turning empty parking spots

into housing. I do have some reservations and concerns about this that I have already mentioned. I am generally supportive.

Mr. Fletcher said that Ms. Dang referred earlier to self-imposed conditions. Can I get confirmation that the three self-imposed conditions will be made notes on the common plan of development so that they become features of the plan of development? Is that what we were expecting to happen?

Ms. Dang said that we had not talked that far. We talked about parking, but it would be good to add the other two. Otherwise, I was going to treat it no differently than self-imposed conditions that somebody might have offered. It is a SUP.

Ms. Miller said we are fine if staff would like for us to put all four of the conditions on the plan when we resubmit it to Ms. Dang. We are happy to do that.

Mr. Fletcher said I think that is the best approach to clarify and have it as a feature of the plan.

Commissioner Whitten said given that last statement, I am satisfied to make a motion to recommend approval of the SUP request.

Councilmember Dent seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Armstrong	No
Commissioner Baugh	Aye
Commissioner Byrd	Aye
Councilmember Dent	Aye
Commissioner Orndoff	Aye
Commissioner Whitten	Aye
Chair Finnegan	Aye

The motion to recommend approval of the SUP request passed (6-1). The recommendation will move forward to City Council on February 8, 2022.