



# 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 Our Community Place to rezone 50 and 52 Reservoir Street***

***Consider a request from Our Community Place for a special use permit to allow reducing required parking areas at 50 & 52 Reservoir Street***

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

Chair Finnegan read the requests and asked staff to review.

Ms. Banks said that the Comprehensive Plan designates this site as Medium Density Residential. These areas have been developed or are planned for development of a variety of housing types such as single-family detached, single-family attached (duplexes and townhomes), and in special circumstances, multi-family dwellings (apartments). Depending on the specific site characteristics, densities in these areas should be around 15 dwelling units per acre. Non-residential uses may also be appropriate.

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

- Site: Duplex dwelling, zoned R-2
- North: Duplex and single-family dwelling, zoned R-3C and duplex, zoned R-2
- East: Single-family dwelling and vacant parcel, zoned R-2
- South: Vacant parcel, zoned R-2
- West: Across Reservoir Street, cemetery, zoned R-3

The applicant is requesting to rezone a +/- 7,757 square foot property from R-2, Residential District to R-5C, High Density Residential District Conditional. Simultaneously, the applicant is

requesting a special use permit (SUP) per Section 10-3-55.4 (6) to allow reducing required parking areas to permit fewer than the required number of vehicle parking spaces for any use, provided that an amount of open space equal to the amount of space that would have been used for the required number of vehicle parking spaces is left available for parking in the event that, at the discretion of the City Council, it is needed at some time in the future. The subject property is located along the eastern side of Reservoir Street, mid-block between East Market Street and Long Avenue. If approved, the applicant would renovate and buildout the basement of the existing duplex currently located on the site, creating a four-unit multiple-family building, and would not provide any off-street parking for the apartment use.

### *Rezoning*

With the rezoning request, the applicant has proffered the following (written verbatim):

- Dwelling units may be occupied by a family or not more than three (3) unrelated persons.

The R-5 district allows by right dwellings to be occupied by a family or not more than four persons. This proffer reduces the allowable occupancy of dwelling units to either a family or not more than three persons. With this proffer, because the minimum off-street parking requirements of Section 10-3-25 (7) allows for reduced parking when occupancy is restricted, the multiple-family use has the flexibility of providing only one parking space per unit, for a total of four off-street parking spaces. Additionally, staff has discussed with the applicant that bicycle parking, per Section 10-3-25.1, will be required for the multiple-family use.

The applicant describes within their letter that they intend to provide affordable housing to very low-income individuals who are homeless, but are housing ready. These individuals may receive Housing Choice Vouchers or have sufficient income to afford a low-cost rent. While staff supports the applicant's intent, it must be acknowledged that this is not proffered and should the property be sold, a future property owner could rent the dwellings at market rate or in some other fashion.

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.”

The housing study also identified that “[o]nly 10% of all [rental] units are affordable to 0-30% AMI households, most of which are large units” and that “[t]here are only 230 studio and one-bedroom units affordable to 0-30% AMI households, which is a critical unit type needed to meet the needs of households consisting of 1-2 persons and single persons needing supportive housing.” The proposed renovation and buildout would contribute to help to address the need for more one-bedroom units in the City as the applicant intends to renovate the structure, where each unit would only have 1 bedroom.

Another component of the Housing Study places the subject site within Market Type C and notes that “Market Type C has above median access to amenities yet is the most affordable market type in the City. The creation and preservation of affordable housing and construction of middle income housing would be appropriate here as there are already amenities in place that would make these areas attractive locations for housing, particularly as some low- and moderate-income households either do not have access to a private vehicle or have more drivers in the household than there are cars indicating that one or more household members will need to rely on public transit. In addition, sales prices are lower in Market Type C than in other Market Types making this a potentially more feasible location to create and preserve affordable housing.” Rezoning the property to R-5 would make it possible for the applicant to accomplish the point made in the previous sentence.

What the applicant is proposing will provide for low-cost, affordable housing for the lowest income households; recognizing and acting on some of the affordability and cost burdens laid out in the Housing Study.

The property is shown in the 2018 Land Use Guide as Medium Density Residential which states that multi-family dwellings (apartments) are supported in “special circumstances.” Staff notes that:

- The directly adjacent parcels to the north of the subject property, that front along East Market Street, are designated as Mixed Use within the Land Use Guide; a designation that supports a mixture of residential and commercial uses, as well as a mixture of housing types. The properties along East Market Street in this area are made up of single-family detached, duplex, and multi-family dwelling units.
- With regard to the Comprehensive Plan, the applicant’s proposed housing is aligned with Goal 6, “To meet the current and future needs of residents for affordable housing.”
- The location of the subject property has access to amenities such as public transit, grocery stores, parks, and jobs, which is a need for the households anticipated at this location.

Staff believes the above points are reasons for considering the proposal at this site as a “special circumstance” for the allowance of multi-family dwelling units at this location.

If approved, the applicant would need to apply for, and receive, the proper approvals for all necessary building and trade permits for the conversion of the duplex into a multi-family dwelling. The applicant has also been informed that if the rezoning is approved, they must act on their plans to convert the two-unit structure to a four-unit structure, because a duplex is not permitted in the R-5 zoning district.

### *Special Use Permit*

Concurrently, the applicant has applied for a SUP per Section 10-3-55.4 (6) to allow for the reduction in required parking spaces within the R-5, High Density Residential District. Required parking for a multi-family dwelling use in the R-5 district is calculated at a ratio of 1.5 spaces for each dwelling unit with one bedroom. With a proposal to have four one-bedroom units, typically the site would be required to have six spaces. However, as noted earlier, because the applicant has proffered a reduction in occupancy within each dwelling unit, only one parking space would be required for each dwelling unit, thus, only four spaces would be needed for zoning compliance. Behind the existing duplex there is ample unused area where parking could be installed. As required, a site sketch has been provided indicating that the four off-street parking spaces could be provided in this area. The parking area would be accessed from East Market Street, through an existing alley.

The applicant has stated that the main reason for requesting this particular SUP is to help keep renovation costs as low as possible, so that rents can be kept as low as possible. Since tenants will be clients of Our Community Place, they anticipate that the tenants will not have vehicles explaining in their letter that “very few of the people we work with have cars or trucks due to their very limited income.” Additionally, the applicant further explains that “should one or two of the residents end up with vehicles at some point, we have a verbal agreement with the owner of the two adjacent rental properties... where residents in our building have permission to park when space is available.”

The applicant should understand that, if the SUP is approved, the area that would have been used for parking must be recorded in the deed, must also remain as open space, and shall not be used to meet any conflicting requirements of the Zoning Ordinance. Staff also discussed that if parking had to be installed in the future as shown on the site drawing, all parking lot landscaping requirements, per Section 10-3-30.1, would apply and one of the four parking spaces would be required to be a van accessible space with access aisle.

Staff supports the applicant’s objective to provide needed affordable housing dwelling units at this location. As well, staff believes that the requested SUP is consistent with good zoning practice and will have no more adverse effect on the health, safety, or comfort of persons living and working in the area and will be no more injurious, economically, or otherwise, to property or improvements in the surrounding area.

Staff is supportive of the requested rezoning and special use permit at this location.

Chair Finnegan asked if there were any questions for staff.

Commissioner Whitten said I know you worked with them to help them come up with the best plan. Was it considered to zone it R-3C instead of R-5C and what is the difference?

Ms. Banks said it was the lot area. It is only 7,757 square foot lot. In R-3, each dwelling unit is required to have at least 3,000 square feet of lot area, so there is not enough lot area to zone it R-3. Also, in the R-3, apartments are by SUP.

Commissioner Whitten it bothers me that we are going from (19:25:07). When you look at the surroundings, it is single-family and R-2.

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.

Sam Nickels, Executive Director of Our Community Place, came forward to speak to the request. I am here with Tim Cummings, OCP's housing specialist. We have been working on this project for many months. This is OCP's first venture into buying and renovating and expanding of affordable housing. We have entered into it because we have spent a great deal of time trying to get very low income people into housing. The barriers are extremely difficult for those folks to overcome. We decided that we are going to do it ourselves. We are going to property manage it and we are going to make a long-term commitment to it. We are going to provide supportive case management for people who are coming off the street and into this housing to help them learn how to adjust to these situations, such as what it is to be a good tenant and help them stay in the housing long-term. The benefits of that are proven from multiple studies. It will have a positive economic impact on our community as well as quality of life for both the community and the people who are obtaining housing. This property is being financed without any bank financing. It is all being done with donations and housing social investors who are local people who want to support this effort and are doing so on highly favorable terms, such as 40 year loans at two percent. This kind of effort to a non-profit is a way that we in the community can address this challenge. I would like to thank Adam Fletcher, Alison Banks, Amy Snyder, and Ron Schuett for the feedback I have gotten on the project. We also have two engineering firms and an architectural firm who are donating their time to the project. We are still going to have to invest \$150,000, plus in-kind donations to the build out. It is a big effort, but we intend to do it in a way that makes the building look good and attractive, highly energy efficient, that provides a good quality of life for those living there and is affordable and adaptable to the needs of people that will be moving in. I am happy to answer any questions. Thank you for your work both on this project and the many other challenging planning issues that you have to deal with.

Chair Finnegan said that he can see that a lot of work went into this request. I can see that a lot of things were thought through. He then asked if there were any questions for the applicant.

Commissioner Whitten said I want to know about the agreement with the adjacent rental properties for parking. It is a verbal agreement. Can you get that in writing?

Mr. Nickels said that the owner that we had that agreement with sold it to an adjacent property owner. The new owners are the couple who own the Friendly City Inn. They bought two properties

to the north of us and the vacant lot to the south of us. I talked with them. They are investing in properties and do not have specific plans yet. I mentioned this and he said that they would consider it. We would have to talk more about it and they would think it through. There is nothing firm there. I will mention several other things. One is that the right of way lane passes behind the house. The next house over owns about 10 parking spaces. Those are never used at all. I have never seen a car parked there. That is another option for an agreement. In addition, the space behind the building that at relatively low cost, if we needed to, could be filled in with gravel. We are also doing a lot of work through the architectural firm to try to determine exactly what we need to do for disability accessibility and the impact that will have or what it will require in terms of parking. We are thinking through all of these issues. The final thing that I will mention is that Long Street, which is one lot away from ours, cuts off just above our building. There are a lot of cars parked along that street and there is a lot of open parking there as well. I know that does not meet requirements for off street parking, but I am saying that there are a lot of parking options that are available all around us. If we needed those, we would enter into a contract with the owners of those properties that are not using their parking.

Commissioner Whitten said I would encourage you to do that. The other question I had is about the management. What does that look like? You mentioned in your letter “supportive case management”. Will there be somebody at this location living there? Or is it a check-in from time to time? How does that work?

Mr. Nickels said that there are two different issues. There is property management and there is case management. Mr. Cummings already does property management for us at other locations. He is also a landlord. He owns a building in Richmond, which he has worked on for 20 years. He has a lot of property management experience. He is the main one who places folks into our housing. He will work on keeping the property in good condition, making repairs as needed, collecting rent, and so forth. We have a bookkeeper who assists in the management of that part. In terms of case management, it depends on the needs of the person. For some people, when we move them into housing, they do fine and we do not need to do any follow-up with them. That is probably about 40 percent. Another 30-35 percent would be people who need some assistance, especially in transition. We would interact with them on site or take them places, as needed, and work with them on a variety of issues. Then we have about 25 percent of the people we work with that we have to provide intensive care management services to. We have three full-time case managers in addition to Mr. Cummings and myself who also do some work with folks. Those folks will visit people in their homes, manage crises, resolve issues between neighbors, help someone through an employment crisis and access emergency funds so that the rent can be paid and they do not lose the place. That intensive work tends to come and go. It might be very intense for a week and then you do not need to be with the person for two months. Then there is another crisis, and you have to work intensively with them. We are very used to that. We have managed it for several years now. Our intent is to expand. This is our first project. Our intent is not to move people in who need highly intensive case management. We are focusing, at this point, on people who are solidly housing ready and we know that they are going to be successful, they have a stable income source, and they will not require highly intensive management. We need to get this project off the ground. We want it to be successful. We want to make sure that it is working. That is the approach that we are looking at taking at this point.

Chair Finnegan asked, if this is successful, do you plan to do more of these? What is your vision for this?

Mr. Nickels said yes. At this point, the OCP board has only approved this initial project. We did go through a housing strategic process and developed a housing plan. At this point, the board wants to see how this goes from a variety of perspectives and sustainability. I anticipate that we will continue to expand projects like these in the coming years. I think that it is very likely that future projects will not be focused on purchasing properties but focused on building properties. We are partnering with groups like Habitat for Humanity. We have been in talks with Habitat where they might build a quadplex. We would buy that from them, own it and property manage it. That would be a very low cost approach to get the project going. It would be new. It would be adding to the housing stock, not taking away from other housing for the low income group.

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. Hearing none, he closed the public hearing and opened the matter for discussion.

Chair Finnegan said I can tell that a lot of work went into this request. I appreciate the work of staff, and the applicants for having this vision. I know that it is hard to make these work in a totally market driven system where the housing prices keep going up. I am encouraged to see action being taken on some of these discussions that we have been having for years. Looking at the front page of the Daily News Record, yesterday, we have "Rockingham County Supervisors Expect To Lower Real Estate Tax After Prices Surge" and, right below that, we have "Refuge from Cold... John Morris, a homeless city resident poses for a photograph outside Open Doors at dawn on Monday. He moved to Harrisonburg to be closer to his kids, but had issues with his landlord and has been homeless for several months." These are City issues, and it is going to take an "all of the above" approach, I believe. I am cautiously optimistic and supportive of this request.

Mr. Fletcher said I want to remind the Commission of one item. In listening to Commissioner Whitten somewhat concern, if I was reading in between the lines there about concern over parking issues, the Commission does have the authority to recommend the condition that if Planning Commission and City Council believe that the SUP, and in this case it being, if not providing parking becomes a nuisance, that you can recall it for further conditions, revocation of permits or you can state that you can require them to put in a certain number of parking spaces. I do not recall whether or not we specifically spoke about that being a condition in this SUP, but it is within the authority of Planning Commission to recommend a version of that, if you wish. If you do not recommend that condition, it does not become a condition of approval.

Ms. Banks said we did not include that as a condition because it is built into the regulation, if I am not mistaken. It says that in the event that the discretion of City Council was needed at some time in the future.

Commissioner Whitten said that helps, but the thing that weighs heavy on my mind is that the SUP, by the very nature, if it is not successful, that reduction goes along with the property. That could be at market rates, and we might have a difficult time getting the parking put in if it was needed. I would encourage them, if this passes, to try to get an agreement for parking adjacent

before they go before City Council. If I was on City Council, I would want to have that assurance that it was taken care of.

Commissioner Armstrong said we use the phrase “affordable housing” a lot, but it does not capture the challenge of this population going from homelessness, or in some cases transitioning from incarceration, lots of different circumstances to try to get into housing. It is really great. I realize the concern about resale of the property and conditions of parking, but for the population that this is targeting, getting a vehicle is truly not their biggest challenge. I applaud this effort.

Councilmember Dent said I second that applause. In our discussions of affordable housing, I appreciate the spectrum of the very lowest income, zero income, imagine that, to 30 percent. How to help them to get that hand up to get people from homelessness into stable housing is by far the most challenging. I applaud OCP and Mr. Nickels for taking on that challenge.

Commissioner Armstrong said that another advantage is that as people graduate from this residential situation and advance, that is a real contribution in our community. First of all, those are success stories for this kind of transitioning, and this also provides mentoring in our community. That is a real contribution.

Commissioner Byrd said in this SUP is a reference to Section 10-3-55.4(6). Are you saying that in that it says at the “discretion of City Council” they could remove the reduction of required parking? Is that correct?

Ms. Banks said that the SUP that they are asking for is to allow “reducing required parking areas to permit fewer than the required number of vehicle parking spaces for any use provided that an amount of open space equal to the amount of space that would have been used for the required number of vehicle parking spaces is left available for parking in the event that, at the discretion of City Council, it is needed at some time in the future.

Commissioner Byrd said if they do not fill up the back area and leave it available for future parking, they are fulfilling the requirements.

Ms. Banks said that as long as they keep the back area open and it is green space, they are meeting the requirement. If at some point, the parking becomes a problem and City Council feels that they need to put parking in, then they would have to establish a parking lot in that back area.

Mr. Fletcher said to clarify, it does not have to be entirely open. They have to keep open to space needed to provide the number of parking spaces, not the entire back area.

Commissioner Whitten made a motion to recommend approval of the rezoning request.

Commissioner Orndoff seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Armstrong     Aye



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 rezoning request, as presented, passed (7-0). The recommendation will move forward to City Council on February 8, 2022.

Commissioner Orndoff made a motion to recommend approval of the SUP request.

Councilmember Dent seconded the motion.

Chair Finnegan called for a roll call vote.

Commissioner Armstrong	Aye
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, as presented, passed (7-0). The recommendation will move forward to City Council on February 8, 2022.