

# COMMUNITY DEVELOPMENT

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To: Planning Commission

From: Department of Community Development Date: January 12, 2022 (Regular Meeting)

Re: Rezoning and Special Use Permit – 50 & 52 Reservoir Street

#### **Summary:**

Public hearing to consider two requests from Our Community Place:

- To rezone a parcel from R-2, Residential District to R-5C, High Density Residential District Conditional.
- For a special use permit 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 +/- 7,757 square foot property is addressed as 50 and 52 Reservoir Street and is identified as tax map parcel 27-E-2.

# **Background:**

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

<u>East:</u> Single-family dwelling and vacant parcel, zoned R-2

South: Vacant parcel, zoned R-2

West: Across Reservoir Street, cemetery, zoned R-3

#### **Key Issues:**

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 multifamily 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 multifamily 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.

#### **Environmental Impact:**

N/A

## **Fiscal Impact:**

N/A

# **Prior Actions:**

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#### **Alternatives:**

- (a) Recommend approval of the rezoning and special use permit as submitted;
- (b) Recommend approval of the rezoning and special use permit with conditions;
- (c) Recommend approval of the rezoning and recommend denial of the special use permit;

- (d) Recommend denial of the rezoning request, but if the rezoning is approved by City Council, recommend approval of the special use permit with or without conditions; or,
- (e) Recommend denial of both requests.

#### **Community Engagement:**

As required, the request was published in the local newspaper twice advertising for Planning Commission's public hearing. The advertisement was published as shown below:

# Rezoning – 50 & 52 Reservoir Street (R-2 to R-5)

Public hearing to consider a request from Our Community Place to rezone a parcel from R-2, Residential District to R-5, High Density Residential District. The Zoning Ordinance states the R-2, Residential District is intended for medium-density, single-family and duplex residential development. The R-5, High Density Residential District is intended for medium to high density residential development, including townhouses and multiple family dwelling units, together with certain governmental, educational, religious, recreational and utility uses. The residential density ranges for the R-5 district are multifamily, 1,800 sq. ft. minimum/unit; multifamily quadraplex, 3,000 sq. ft. minimum/unit; and townhouse, 2,000 sq. ft. minimum/unit. 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 which in special circumstances may include multi-family dwellings (apartments). Densities in these areas should be around 15 dwelling units per acre. Non-residential uses may also be appropriate. The +/- 7,757 square foot property is addressed as 50 and 52 Reservoir Street and is identified as tax map parcel 27-E-2.

# Special Use Permit – 50 & 52 Reservoir Street (Section 10-3-55.4 (6) to Reduce Required Parking Areas

Public hearing to consider a request from Our Community Place for a special use permit 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 +/- 7,757 square foot property is addressed as 50 and 52 Reservoir Street and is identified as tax map parcel 27-E-2.

In addition, adjoining property owners were notified of the public hearing; the property was posted with signage advertising the request; and a notice was provided on the City's website at https://www.harrisonburgva.gov/public-hearings.

#### **Recommendation:**

Staff recommends alternative (a) approval of the rezoning and special use permit as submitted.

#### **Attachments:**

- 1. Site map
- 2. Applications and supporting documents

## **Review:**

N/A