

PLACE Design Task Force Minutes
August 8, 2019 - 12:00- 2:00 p.m.
Neighborhood Development Services
Conference Room, 2nd Floor City Hall

Members Present: Fred Wolf, Lena Seville, Rachel Lloyd, Rory Stolzenberg, Andrea Trimble, and Kathy Galvin

Staff Present: Carrie Rainey, Kari Spittler, Alex Ikefuna, and Matthew Murphy

CALL TO ORDER

Fred Wolf called the PLACE Design Task Force Meeting to order at 12:15 p.m.

1. MATTERS BY THE PUBLIC (5 minutes)

None.

2. PARTICIPATORY BUDGETING DISCUSSION (20 minutes)

Matthew Murphy: Participatory Budgeting is an ugly name but it's a meaningful idea and process. It has been done in over 3,000 communities. City Council approved \$100,000 as a pilot for this program in 2019. The basic idea is to ask "How would you use this money to make improvements to your neighborhood?" Our process included looking into demographics, household income, free and reduced lunch, how much people are moving to and from different neighborhoods, etc. and we landed on the Ridge Street neighborhood, which includes South 1st Street and Friendship Court. The presentation that was given to Council was from the June 17 meeting, which can be found online. The idea is to have the community tell us what to do with the money. From there we will need to synthesize the project and eliminate the ones that are outside the scope of what we can do. Once we have those idea put together we will go back to the community to vote on them. Right now we're in the education and awareness stage and we are getting out to key community stakeholders right now, putting out flyers, and talking one-on-one. We plan to host an event in September to bring awareness and gather ideas. While that's happening, we're going to try to put together a team of staff and community members to be the project development team. In the spring we will go back to the community with those ideas and let them vote. The age requirement is 14 and up and there are minimal rules to prove that you actually live in the neighborhood. The timeline is from August-October we'll do education and idea collection, November-February is proposal development, and voting will take place in April. We will have to work on the timeline for project implementation but we're thinking it will start sometime next summer. This process is roughly 12 months long and we're going to learn a lot from this pilot. If we get money from Council next year from it, it will probably be even smoother.

Fred Wolf: In terms of qualifications, are you trying to limit to people who actually live there versus own property there?

Matthew Murphy: At this point the handbook says "anyone who lives, works, owns a business, or is a student in the identified neighborhoods are welcome to attend the information meetings and propose project ideas."

Fred Wolf: It seems like it would be more effective if it's for the people who actually live there.

Matthew Murphy: I don't anticipate that being too much of a force. This is very community based and their voices are going to be louder than landlords.

Fred Wolf: Are you trying to figure out how to put it all towards one project or do you see it breaking up into smaller projects? The money could be really helpful in small chunks but it could also dilute the impact.

Matthew Murphy: That is part of the conversation and part of what the community is going to drive for us. If we hear that people want smaller, lower cost project then we will go that direction. The focus will be on capital improvement and there have been conversations about sparking some possibilities of what other cities have done because some people might not know how much certain projects cost, but we also don't want to drive it. Staff can gather a few ideas, but we also want it to be very open to really hear what the community wants. The project development folks will need to really synthesize it and determine its feasibility.

Andrea Trimble: Is there an opportunity to stretch that dollar through donations or volunteer time to make the project cheaper?

Matthew Murphy: I don't know much about donations if people want to add additional money to it, but that's a great question.

Rachel Lloyd: Is the \$100,000 just for the construction budget or does it include things like dinners for public meetings?

Matthew Murphy: We've tried to keep the \$100,000 for the projects. We're going to spend money on promotion but we want to avoid touching that money if we can.

Rory Stolzenberg: Why is the age requirement 14 and up?

Matthew Murphy: It's the balance of if we should require people to have DMV or student IDs. Keep in mind that this just a pilot and if we try to do all things the very first time out there are more opportunities for failure. We can always expand and contract it later as needed. We really wanted to get kids involved and if we have the space and place for elementary school kids next year that would be great.

Rachel Lloyd: My sense is for this first pilot, voting should be done on a trust basis and if you sense that there are problems you can adjust it next time around. With the need to rebuild trust in our community, it's a good way to start.

Matthew Murphy: We also want things to get done quickly and the longer we drag this out, the less awareness we are going to have on what we are really trying to accomplish here. We want this to only be 1 year and we'll start with one neighborhood at a time.

Kathy Galvin: The CDBG grant, which is a federal grant, has been rotated on an annual basis and the community is familiar with that so rotating between neighborhoods every year isn't a foreign idea to them.

Matthew Murphy: Correct, and someone may even be able to build a case as to why their neighborhood should be next on the list and we'd love to hear that. Overall, it's a great opportunity to engage, build trust, and see some new leaders rise up to express their values and concerns to the community.

Rory Stolzenberg: Regarding voting, can you do ranked choice? There are so many projects and perhaps one person, one vote wouldn't be ideal.

Matthew Murphy: We discussed ranking but if we get 100 ideas, 25 of them might be reasonable that we can whittle down. We will continue to think through how to best hear from folks. Our hope is to have 10% engagement, which would be about 350 people that are residents in that community. That goal is standard in other communities that are doing similar types of projects.

Rory Stolzenberg: Will there be a meeting at the end where everyone votes, or will there be an online component or a mailer type of thing?

Matthew Murphy: We want to do a combination of things to hit all of the bases that we can, including setting up in the neighborhood, knocking on doors, online, etc.

3. R-1 ZONING DISCUSSION (60 minutes)

Kathy Galvin: PLACE has historically always sent an annual report to Council. Is that the goal for this year? We do have the RFP out for the Comprehensive Plan that's going to have an integral affordable housing strategy and rolling right into revising our zoning. RFP's are due August 16th. What is the goal of this discussion?

Rory Stolzenberg: Mike Stoneking's goal was to write a memo laying out the pros and cons.

Rachel Lloyd: It includes a benefits, opportunities, and potential problems so that if we change any zoning, we know how to mitigate it. However, it's not part of any annual plan. It might be a good idea to introduce PLACE by having an annual report shortly after the new Council gets in.

Kathy Galvin: I'm hearing confusion about what PLACE is what they do from the outside and internally. There is a perception that PLACE is slowing down development and has more authority than it does. It would be important to get something to know what this group is doing.

Rachel Lloyd: People have said we're in the pockets of developers and people don't understand is that we have no decision-making ability.

Fred Wolf: In its essence, the discussion about R-1 came about after the article in Minneapolis that wiped out all of their R-1 zoning. The idea behind it was that it expanded opportunities for density and open up housing at different affordability levels. R-1 zoning in some ways is intentionally restrictive in terms of segregating and establishing neighborhoods and keeping people in and out of areas.

Rory Stolzenberg: It's also very new in the City. Even in our R-1 zones, they are full of things that wouldn't conform with our R-1.

Rachel Lloyd: There are several questions and the City can all agree that the City needs more housing and it needs more housing across a wide range of sizes and price points, but mostly covering more affordable housing.

Lena Seville: We need to have that basic conversation to be clear on what everyone agrees on. What is it that we want to get out of the discussion of R-1 zoning?

Andrea Trimble: We all have personal interests in R-1 zoning, but what relationship should PLACE be focused on?

Fred Wolf: The real discussion might be that PLACE is looking for more opportunities for increased density and affordable housing. One thing to look at to help with that might be to examine how R-1 zoning impacts that.

Kathy Galvin: Pre-1964 land development in Charlottesville was very much all mixed up. After that, all of that was then made illegal to do, but it works perfectly well.

Lena Seville: I'm assuming there is also a racial component to these changes.

Rachel Lloyd: Density doesn't just provide additional housing. It also facilitates public transportation and all kinds of other things.

Kathy Galvin: That is a perspective that PLACE could bring. Density alone does not provide affordable housing and it doesn't necessarily ensure a livable neighborhood.

Rachel Lloyd: We also need to make a distinction between naturally occurring affordable and subsidized affordable. Increasing density doesn't necessarily affect subsidized affordability at all.

Lena Seville: It has a huge impact on the naturally occurring affordability.

Rory Stolzenberg: The data shows that attached homes are cheaper compared one to one. R-2 currently allows exactly the same building envelope as you would get to build a single-family house, you could just put a firewall in the middle and divide it. That is the only difference right now.

Rachel Lloyd: We can't assume that because things could easily bump up to an expensive market rate.

Rory Stolzenberg: We have areas like North Downtown that are hyper expensive. If you take a lot that could fit two houses on it and you put in six townhomes, they aren't going to be the \$200,000 townhomes we're thinking of as naturally affordable, but they are probably going to be half the price of the alternative, which are very expensive homes in a very expensive neighborhood.

Rachel Lloyd: For our memo, we can't control the market. We can make statement about how we need more units.

Rory Stolzenberg: We can restrict the market. We can let supply exist until it hits some natural equilibrium and that is the best we can do.

Lena Seville: We need to take a step back and talk more generally. Just going from R-1 to R-2 is not necessarily going to make it affordable and we need to go bigger than that. Instead of a citywide thing, it should be more of a phase thing. Perhaps we increase density on transit corridors or primary roads. If you suddenly increase density in what is considered an affordable neighborhood that happens to be close to amenities, we could see a lot of displacement. Instead, we should start in high income neighborhoods and see how it goes because it takes pressure off the low-income neighborhoods. We need to implement it in a way that doesn't cause displacement.

Rachel Lloyd: There are other things we can do, like providing tax abatements so elderly or low-income people aren't priced out of their homes.

Rory Stolzenberg: When we talk about displacement, it's important to talk about the status quo and how it's causing displacement. There are many high-income neighborhoods where it's illegal to build anything denser than what is there now. The population is growing in those areas and more people want to live there and there's

no where else to go, so they go where ever they can find market rate rentals that are more reasonably priced. Historically when we do up-zonings we take a specific area and allow a lot more density there and we funnel all the pressure into one specific place, which is how you get rapid gentrification. The idea of allowing four-plexes everywhere is that it lets some of that pressure out broadly and it doesn't affect any specific place too much.

Kathy Galvin: That needs to be tested. There was a study where they target transit-oriented development and they weren't displacing people, but when they did a blanket overall up-zoning it led to a major increase in land values that did cost displacement.

Rory Stolzenberg: You are likely referencing the Chicago study where there was an up-zoning and they studied it 5 years later. They found that prices did go up but there was also no new supply built. It's unclear why, but it's probably a combination of 5 years not being enough time to react to it and create a new supply that would drive prices back down. The fact that prices are rising means that there is an expectation that there will be more supply. Additionally, in Chicago, the zoning ordinance is probably not the main blocker of development because they have aldermanic privilege.

Rachel Lloyd: My concern is if you have blanket up-zoning, the rich aren't going to be hurt by property values increasing, more taxing, or have any pressure to sell. The people who will feel the pinch first are those with lower incomes or elderly.

Rory Stolzenberg: Prices are rising because of down-zoning. The goal of up-zoning is for prices to go down.

Rachel Lloyd: We don't know that will happen. Developers could create expensive new housing all over the City and we couldn't control it.

Kathy Galvin: We need to find the sweet spot between increasing the overall number of units but not encouraging teardowns to put up taller buildings, which destroys the naturally occurring affordable housing.

Rory Stolzenberg: Doing it in high income neighborhoods is a great idea.

Rachel Lloyd: The City also has a capacity in our elementary schools, storm sewers, etc. I have no idea what kind of constraint those put on where new people can settle. Those are all issues we have to look at.

Rory Stolzenberg: All this infrastructure predates all the zoning that exists now so it should be able to support it.

Alex Ikefuna: Public Utilities periodically updates its forecast and has a schedule for improving its system so it can handle future developments. The City hasn't run into having to stop a project because of a capacity issue, but it is an important point. Capacity, for the most part, is not a challenge. Currently the practice is every time there is a major development, they upgrade the size of the pipes and things like that.

Rachel Lloyd: That is key data that needs to help guide where we think about population growth.

Rory Stolzenberg: There are two ways we're talking about increasing density. I envision transportation corridors to be actually dense. We often talk about the overall water capacity of freshwater, but the current population projections showed that Charlottesville's water surface area has had 50% growth over 40 years. The County of Albemarle, which uses the same reservoirs, went from 51,000 in the urban area in 2010 to 112,000 in 2016. People are going to move to the area so we have to decide if we make them move to the outskirts where they all have to drive in or if we just let them live in the City.

Kathy Galvin: There is a third variation, which has to do with a nodal approach that is happening on 29 already, in which case you're setting up to have a much better regional transportation network. It's not an all or nothing.

Rachel Lloyd: If there are capacity issues in different areas of the City, it isn't that it cuts the option off forever. It just requires some investment.

Rory Stolzenberg: It certainly needs to be planned for, but I don't think it's a blocker for making the zoning change. Once you allow four-plexes everywhere, you can track where they are being built and where pressure is being put on schools and you can react to that.

Kathy Galvin: You can do different projections and there is going to be a need for testing growth intensities and scenario planning.

Rory Stolzenberg: We don't need to stop ourselves from having a high buildout because of these constraints, we just need to react to the fact that that is going to happen.

Rachel Lloyd: If you don't have the City infrastructure to support your population, that's bad government.

Lena Seville: We have to look at a combination of things including affordability of neighborhoods, transit, etc. Capacity is one of the factors to look at, but it isn't the only thing. We getting caught down the rabbit hole of hypotheticals.

Andrea Trimble: R-1 zoning shouldn't exist in isolation so if we have this conversation we also need to be talking about regional transit.

Rory Stolzenberg: If you make R-1 allow four-plexes, it's not like every lot will get them immediately.

Lena Seville: What happens if all of a sudden people go into neighborhoods like 10th and Page because the land is cheap?

Rory Stolzenberg: But why isn't that going to happen in R-1? People want the cheap land in a really good place that's suddenly more attractive because people are willing to live there, it's going to happen no matter what and it's going to be worse if it's R-1. The reason it's supposed to be everywhere is specifically so it doesn't just affect places like 10th and Page.

Rachel Lloyd: The sum of Charlottesville is more than just the quantity of the people who fit into it. There are trees, communities, and all kinds of resources that matter. There are preservation issues we also need to account for in all of this.

Lena Seville: In this scenario, would the whole City go R-4 or would there be places that are even higher?

Rory Stolzenberg: Minneapolis did three-plexes anywhere in all of R-1, so it's about redefining R-1 to be something else. Three instead of four is a bad decision because four is where you get FHA accessibility requirements. It's a great idea to allow six-plexes in rich neighborhoods, and maybe even more. Along transit corridors there should be actual apartment buildings.

Rachel Lloyd: It's not right to put tons of people in a place where there isn't public transportation.

Lena Seville: The City is only 10 square miles and even if there isn't public transit available, it is bikeable.

Kathy Galvin: We need to also think about people, like single moms for example, who aren't necessarily riding a bicycle and may need public transit. We need to create a livable, walkable environment for all kinds of people. We need to think about where to set up our mix-use subcenters and neighborhood centers that have childcare, convenience shopping, etc. The vision is about creating more nodes in the future land use map.

Rory Stolzenberg: Those nodes aren't four-plexes. I'm making a distinction between the four-plexes idea and actual density.

Kathy Galvin: But before you up-zone to four-plexes, you have to anticipate what people need to get around.

Rory Stolzenberg: We need to put real density in public transportation nodes and corridors and allow mixed-use there. I agree that there should be commercial nodes all across the City, but that's not where the four-plexes are. The four-plexes are low-density residential and the mixed-use nodes have to be bigger than R-1.

Lena Seville: We can't make everything perfect for everyone, but we can have lots of different things and let the market do what it can and then see what is left that we can improve on.

Rory Stolzenberg: It allows people to choose where they want to live whether it's near the amenities they need or if they prefer to be in a quieter low-residential area, they could move into a more affordable four-plex.

Rachel Lloyd: If you have a large house that is R-1 that turns into R-4 zoning, from a land and property ownership perspective, is it still one owner?

Rory Stolzenberg: It doesn't matter, you could make it a condo or a rental because it's totally separate from the zoning code.

Rachel Lloyd: Yes, but it does make a difference whether you invasion increasing rentals or property ownership as a value.

Rory Stolzenberg: That's not something we have a lot of policy levers over. We can encourage homeownership with programs that encourage people to become homeowners, but we can't unilaterally change the percentage of homeowners just by allowing different kinds of buildings.

Rachel Lloyd: The townhouses on 2nd Street are individually slivered properties so it's denser and each person owns their own land. I don't know if it makes a difference but I'm just wondering about it. Whether the City wants to encourage home ownership or beef up rentals might affect how we got about it. Teardowns are also a big concern in general.

Kathy Galvin: That will be part of the housing policy. The gentrification in the neighborhoods like 10th and Page and Fifeville shows that the teardowns are already happening and that has been the biggest instigator of increased property value.

Fred Wolf: One of the main purposes behind conservation districts was to give you a mechanism to protect against unilateral demolitions.

Kathy Galvin: People haven't been demolishing buildings in 10th and Page, they have been refurbishing and improving them.

Lena Seville: Going back to nodes, for services we want nodes to be much higher density and not just a four-plex.

Kathy Galvin: We also had transitions, which was a critical component of any variant of the future land use map. There was an intensity of high, medium and low, which gives you an idea of where to change your infrastructure, whether it's transportation, childcare, education, etc. Thinking about zoning classification in the abstract is basically Euclidian based zoning and it is land use focused. The future land use maps in process are moving us in a different direction and it's all about zones and subzones. There are a lot of land uses that can go on in any of those subzones.

Rory Stolzenberg: I agree, but the question is what we should transition to and determining what is allowed at the furthest geographical point from a node with low intensity. We should allow four-plexes there.

Kathy Galvin: Is there some sense that there is going to be a raft of zoning changes before we do the Citywide rezoning?

Alex Ikefuna: Planning Commission already discussed this and they voted it down. It's not that it isn't worth considering, but they want it addressed within the broader context of the big zoning changes.

Rory Stolzenberg: The current draft of the Comprehensive Plan calls for four-plexes in the lowest intensity zones.

Rachel Lloyd: All of this is going to be addressed by an outside consultant. In the past outside consultants have come to us to review their guidelines and designs. If we have a document that shows the benefits, the pitfalls, and possible mitigation tools it could be helpful to the process. Given that things aren't complete and it's unresolved, we are hoping to weigh in. It isn't a recommendation, but it offers ideas to look into and what we think the advantages are.

Kathy Galvin: Because many of us were unaware that the new draft allows four-plexes everywhere, the general community is probably unaware too, which is why this community engagement is critical. Articulating the benefits of density is going to be an important discussion, as well as articulating what needs to happen with density to mitigate the negative effects of density. We need to communicate the need to the public the importance of density and change and doing it without compromising the quality of life.

Rachel Lloyd: There are people in many neighborhoods who feel very vulnerable and this is going to make everyone nervous.

Kathy Galvin: We are at our wits' end with a zoning ordinance that makes no sense. We are at a crying need for more units with housing and no one knows how to evaluate a project based on whether it's going to generate affordable housing, which is simply inflate land values. We have to bite the bullet and do this and make sure it's as transparent as possible. This group's wisdom is going to be critically important in the process moving forward. I just wonder what benefit there is to focus on what to do with an existing zoning designation, which is R-1.

Rory Stolzenberg: We don't mean specifically this R-1, so much as what the lowest density is in the next regime.

Rachel Lloyd: Theoretically, I don't care how many people are packed into the house but if everyone has to have a car then the quality of life starts to suffer. I want to see the map get the measles.

Kathy Galvin: We can't get away from looking at that nodal pattern with transition zones.

Rory Stolzenberg: There are two ways to increase density. One is to go very dense with big apartment buildings and the other is to have gentle density everywhere and slowly work up. To me, the answer is to do both.

Lena Seville: Creating a great map doesn't always translate into a reality if there isn't enough land to make it happen. It could take decades for the map to be realized.

Rachel Lloyd: If every R-1 went to R-4, how many units would that get us?

Rory Stolzenberg: Based on existing zoning, we could build 4,300 units by-right or 14,500 by SUP but that doesn't take in physical constraints. We're always going to be at some level below that because getting to full build-out is physically impossible.

Rachel Lloyd: There are pressures that increased density bring to our community with green infrastructure issues and soil permeability.

Kathy Galvin: Storm water management is also a huge concern because we are riddled with rivers. We need to be moving towards shared storm water management.

Rory Stolzenberg: You can't just think about the environmental damage within the City. In the alternative case the environmental damage is going to happen somewhere and be worse, it's just going to be in the urban ring in the County.

Kathy Galvin: That's why we have growth areas in the County because you want to protect the watershed. There has always been a battle to not expand because the County hasn't fully utilized its growth areas.

Rory Stolzenberg: The pressure on the growth areas comes from us not letting people come into the City and making them go to the County and that's why the growth areas have so much development.

Lena Seville: Why do people choose to live out in the sprawl instead of actually in the City?

Alex Ikefuna: Housing cost is a big reason. A household may also be a split interest where one person may work in the City and one may work in the opposite direction. Transportation also plays a critical role in the future.

Rachel Lloyd: A lot of people make choices based on schools. People also may get more space and a yard outside of the City.

Lena Seville: If we don't build the value just keeps going up because it's a place that people want to live.

Kathy Galvin: Perhaps a good way to think about it is to increase density but discourage mass demolition to create those pairings of goals.

Lena Seville: There seems to be a lot of resistance to the four-plex idea. Is there any basis for this or is it all conjecture?

Kathy Galvin: It's just an unknown here and there is a moment when you will cross a line where you are up-zoning to such a degree where you are encouraging people to tear down their homes.

Rachel Lloyd: You may also lose historic fabric and that is what makes this Charlottesville.

Rory Stolzenberg: The most effective way to take the most amount of pressure off historically low-density neighborhoods is to have lots of high density somewhere.

Lena Seville: We really need to look at low density neighborhoods. We may not know everything that may come out of it, but low-density neighborhoods should be the place where we try out the increase in R-1.

Rachel Lloyd: Having the tools to envision what they look like would be helpful. If we could absorb all our future capacity in a nodal variety, that would be the smart way to go because it's a more efficient housing system. It should be spread out across the City, but not necessarily a blanket change.

4. NEW BUSINESS (30 minutes)

None.

5. MATTERS BY THE PUBLIC (5 minutes)

None.