Planning Commission Meeting Agenda
August 11, 2026

610 East Main Street
City Council Chambers
Charlottesville, Virginia 22902

Carl Schwarz, Chair
Danny Yoder, Vice Chair
Ross Harness
Hosea Mitchell
Betsy Roettger
Lyle Solla-Yates
Josh Carp
Michael Joy

I. Commission Pre-Meeting (Agenda discussion(s))
Beginning: 5:00 p.m. Location: (Council Chambers, 605 E. Main Street, Charlottesville, VA 22902)

II. Commission Regular Meeting
Beginning: 5:30 p.m. Location: (Council Chambers, 605 E. Main Street, Charlottesville, VA 22902 and Electronic/Virtual)

1. **Commissioner's Reports**
2. **University of Virginia Report**
3. **Chair's Report**
4. **Department of NDS Report**
5. **Matters to be Presented by the Public not on the Formal Agenda**
6. **Consent Agenda**
   a Minutes - March 24, 2026 Work Session
   b Minutes - April 14, 2026 Regular Session

III. Planning Commission Public Hearing Items
Beginning: 6:00 p.m.

1. **Comprehensive Plan Amendment - Chapter 9: Community Facilities & Services and Appendix**

IV. Commission's Action Items
Beginning: following any public hearings

1. **Special Exception Request - 323 2nd Street SE [PL-26-0084]**

V. Future Meeting Schedule/Adjournment
Tuesday August 25 - 5:00 PM - Work Session Tuesday September 8 - 5:00 PM - Pre-Meeting
Tuesday September 8 - 5:30 PM - Regular Meeting

Individuals with disabilities who require assistance or special arrangements to participate in the public meeting may call the ADA Coordinator at (434) 970-3185 or submit a request via email to ada@charlottesville.gov. The City of Charlottesville requests that you provide a 48 hour notice so that proper arrangements may be made.

Planning Commission pre-meeting and regular meetings are held in person and by Zoom webinar. The webinar is broadcast on Comcast Channel 10 and on all the City's streaming platforms including: Facebook, Twitter, and www.charlottesville.gov/streaming. Public hearings and other matters from the public will be heard via the Zoom webinar which requires advanced registration here: www.charlottesville.gov/zoom . You may also participate via telephone and a number is provided with the Zoom registration or by contacting staff at 434-970-3182 to ask for the dial in number for each meeting. Written comments may be submitted via email to planningcommission@charlottesville.gov.

Planning Commission Work Session

March 24, 2026 5:00 PM to 7:00 PM

Hybrid Meeting – City Space Conference Room

Commissioners Present: Chairman Schwarz, Commissioner Harness, Commissioner Mitchell, Commissioner Yoder, Commissioner Joy, Commissioner Carp, Commissioner Roettger

Staff Present: Patrick Cory, Dannan O'Connell, Missy Creasy, Remy Trail, Matt Alfele, Ben Chambers, Ose Akinlotan, Kellie Brown, Todd Divers, Read Brodhead

Chairman Schwarz called the Planning Commission Work Session to order at 5:09 PM.
The order of the work session agenda was flipped with the Homestay Amendments Presentation going first. The Transportation Project Update will be after the Homestay Amendments Presentation.

1. **Transportation Project Update**

Staff Presentation

Ben Chambers, Transportation Planning Manager – I appreciate the chance to give you an update. Part of this update is telling you the next time I am coming back to speak with you.

Next Slide – NDS Transportation Team
I want to introduce my team. My team is me, Tommy, Kyle, and Zoe. Tommy is the Bike Pedestrian Coordinator, Kyle is the Safe Routes to School Coordinator, and Zoe is the Transit Planner.

Next Slide – Our Work
You can probably tell from our job titles; we touch on quite an array of different topics. We do transit planning, we work with schools to do planning if you go to school, and we work on traffic calming with public works partners and fire department. We have helped set sidewalk priorities, which include the CIP. That is usually when I come to speak with you. It is once a year to talk about the CIP. The biggest item in the CIP is the sidewalk priorities. We are also responsible for planning out corridor intersection improvements. We also operate some biking and walking programs.

Next Slide – Current Projects
That does translate into a long list of projects that we are working on. This is just a sample of what we are working on, probably just the highlights of what we have on our plate. We have a STARS study with VDOT that we are doing right now for the intersection in the middle of town at West Main Street and Ridge. That will turn into the city's first smart scale application in 4 years if it is endorsed by City Council in July. We have a second STARS study that we are working with VDOT on. It also involves the county. That is for 29 north and the 250 bypass. STARS is a VDOT program. It is a specific planning program. They have the STARS program and pipeline program. They both do the same thing. They are basically just VDOT doing planning. It has a long acronym. It means that VDOT is coming in and doing a study. They are planning on doing this study so that we will support a smart scale application down the line. We do a lot of work coordinating with VDOT. VDOT does not own roads in Charlottesville, aside from the bypass. A lot of it is them coming to us and saying 'this is a regional or statewide need that we need to address here. It is in the middle of your city. How can we work together?' VDOT has had a great opportunity to work with us on West Main and Ridge and further work with them going up 29. We also work closely with the region and our transit agencies to expand and improve transit. That includes realigning routes and putting in new bus stops. We are doing that with the route too. That is an expansion into the county, which will allow city residents to connect to such glamorous locations as the jail, Mill Creek Shopping Center, and PVCC. We are also looking through all our bus stops while we do that. We

have already performed an inventory on all our bus stops to understand what is on the ground today. Surprisingly, we didn't know the answer to that. That is going to help us set up the next step of how we improve what is on the ground, what are our priorities, and where we should spend money to put more shelters, benches, look at lighting, look at traffic, and look at improvements to our signage. We are working through that. At the same time, we are working with the county to figure out how our regional transit authority is going to work and what priorities it has and where it wants to spend its money once it potentially gets a funding source. We also support access to schools. One of the biggest changes that have had on that front this year is updating our city code around school zone flashers. Our city code had outdated names for schools if it was missing some school names. It did not provide consistent guidance on what the speed limit should be when school is in session and what it should be when it is not in session. We standardized that it should be 25 when school is not in session. That is the maximum speed in front of the school. When school is in session, it is 15. We are rolling out the changes to those signs now. The other issue is that there are some spots where we didn't have signs where we wanted to expand our signage coverage. Mr. Rodland is working through a lot of that right now. We operate a few different biking and walking programs. One of them is our e-bike voucher pilot program that gives vouchers to city residents 4 times a year quarterly. We put out a lottery. We got a lot of interest last year. 90 vouchers were redeemed. There are 90 new bikes on our streets. This year, we changed that program a little bit so that we could tier the vouchers that we are giving out so that we could target some higher valued vouchers to people who would not be able to afford a bike on their own. The top tier voucher now allows a low-income resident who can demonstrate that they are participating in low-income assistance programs. They will be able to cap a $1500 voucher to get the bike they want.

Commissioner Harness – You said that 90 of them were redeemed. How many were issued?

Mr. Chambers – It was close to 110. It wasn't a 100 percent redemption rate. People were getting them and going to the bike shop. They did not want to buy a $1500 bike because they only had a $1000 voucher. There was some of that. There was also some feedback that we received about bike parking. There are people who live in some of our public housing. They did not have a place to lock their bikes up. That is a different process that we are working through. With this program specifically, we wanted to address that issue. What happens with the people who cannot afford that. That is the big change this year. The other big change this year is we have added an additional $100 vouchers for all the winners that we are calling our safety voucher. It is to be used for helmets or locks. We wanted to make sure everybody had those tools so that they were storing their vehicles safely and riding them safely.

We also have our monthly walk series. This is our official walk that we do in neighborhoods every 2nd Sunday of the month. We rotate around the city, so we get to check out a different neighborhood every month. It has been a great way to engage with the community, learn what they are seeing, and point out some things that we are working on along the way. We have a less official weekly bike ride that does a similar thing. We love having people come out on both and see the city with our eyes.

The last one is our Rose Hill Drive restriping concept plans. This was an opportunity that came up because Rose Hill Drive is going to be repaved in 2027. We saw that as an opportunity to change some of the striping on Rose Hill Drive so it could serve all the users who are trying to use that corridor. Right now, you are looking at Rose Hill Drive that is wide and delineated with a series of different lines. It is a 35-mile-per-hour road going in front of a county school. That goes against the issue that we pointed out with our school zone flashers. We want to slow down traffic on that road, so it is safer for the school uses for the people who are using corridor biking, walking, and using transit. We kicked off this project with the neighborhood at the beginning of this month with a walk audit up and down the corridor. We will be returning to them in April with some design options and hopefully with a preferred alternative that has been vetted and discussed with the community in June.

The last one on the list is what I am going to spend most of my time talking about this evening. We are working on scoping out a citywide mobility plan. This is the item I will be coming back to you with later. We will talk through what the process looks like for this and what the timeline is.

Next Slide – Why do we need a citywide mobility plan?
Our Comp Plan points to this as a strategy for how we are going to achieve our goals. It says to secure funding for a transportation master plan as part of its goal #1 for complete streets. I can say that we have already achieved that goal. Council has already set aside funding for this effort. We can say that we checked a box on that. There are other items under #1 that we need to work on to be able to create that connected network for all users. This is also something that we identified as staff last year in January 2025. We rolled out The Safer Streets Strategy, which was a phased strategy for us to work on the small problems and big problems all at once. This was the 2nd phase of our strategy. Our initial phase was focusing on spot improvements and existing work that we already had on the books. Phase 2 is looking at things like rewriting all our plans bigger in scope. Phase 3 is implementing those plans. This is a step along the way that we have been following for a little over a year. Part of the reason that we identified this as a need last year was that we were trying to turn to our existing plans and figure out what we were supposed to do next and finding a lot of conflicts. We found that they were not coherent amongst themselves. Some plans would be emphasizing one mode over another. Some would be saying that we need to be considerate of these factors versus those. They all had priority lists that did not jive with each other. We needed to come up with a way to do that. The other thing we needed to do was look at our Comp Plan. Where do we make progress? Where do we have updates to these strategies and goals? Some of the stuff is 5 years old. Where do we need to make updates? Where are the gaps? Where are the things that we need to make progress on?

Next Slide – Goals for a citywide mobility plan
Our goal for this is to advance that vision of the Comprehensive Plan so that we can have multimodal access, equity, sustainability, and healthy communities addressed through this plan. It must prioritize actionable strategies that build connections across the transportation modes. Just not a plan of wish and dreams, but things we can do. It will improve system performance through measurable implementation focused outcomes. How are we going to measure whether we are doing what we are saying correctly? In the end, this needs to support the city's mission to be a place where everyone can thrive mobility and make sure that you can get home and work and to all the other things that make life a joy is important to that goal

Next Slide – Key Elements of Scoping the Citywide Mobility Plan
These are the key elements of what we are doing as part of this scoping effort. The first one is something we already did back in late Fall/early Winter. It was to look at Comp Plan and see where we are at. It was a high-level overview to understand what goals we have achieved and what things we made much progress on and where we need to fill in those gaps. We needed to take a closer look. Not everything that the city has said about transportation is captured in the Comprehensive Plan. We wanted to do a deeper dive. Are there goals and strategies that the Comprehensive Plan is not even addressing? The existing conditions assessment is something we are working on right now. It is not just looking at demographics or what the current infrastructure is. It is also looking at our existing plans. What has happened with these plans? What data do we still need? What data do we have? Laying the groundwork for identifying where the missing links are. That will help us to start writing out a scoping report. It will summarize key topics and key deliverables that we are looking to achieve with this plan. Our scoping report will also include an engagement plan, which will align the expectations for how we are going to be talking to people about what this plan is along every step of the way. As we do this, we are also coming to you and other stakeholders to solicit your feedback on that existing conditions report and on the scoping report.

Next Slide – Timeline for Next Steps

Right now, we are working through the internal draft of the existing conditions report and scoping report. In May, we will have bike month. There will be a lot of events that we will be talking about. We will also be doing a lot of engagement work for the scoping of the mobility plan. On May 5, we plan to release the existing conditions report and draft scope report on the Connect Charlottesville project page for the mobility plan. On May 7, we will be presenting those materials to the BPAC. On May 7, we will also be opening a public survey on the Connect Charlottesville page that is related to the key topics within the scoping report so that we can get a feel for what the priorities are of the community. We will be talking to BPAC and getting their feedback on the 7th. We also want to hear from the broader community. On the 26th, I will be back here to speak with you so we can also solicit your feedback and make sure that it is incorporated. We will be going to Council on June 1st. I usually go to Council in late Spring every year to give them an update on what is happening with transportation planning work. This is that opportunity this year. It is going to be focused on the mobility plan and the scope that we are recommending moving forward with. In June, we will be finalizing that scope based on feedback that we received from you, Council, the public, and then working with our procurement team to consultant support for that scope sometime this summer.

Commissioner Questions and Feedback

Commissioner Joy – With the Rose Hill restriping, they talked about a mini-roundabout. Is that including that?

Mr. Chambers – The mini-roundabout is partly why we stumbled across the repaving project and saw this opportunity. We were going to our public service team. We were going to put this on the ground. They said that they were going to repave that road soon. When we got that feedback, we realized that we have more of a window to go to the community and see if there is a different thing they might want to have here. Mini roundabouts could be an option. Right now, it is back on the table. We will be coming to the community on April 13th. We will be doing a public engagement event that will show off design options for Rose Hill. It will not be saying this is the full corridor. It will give you different opportunities at different points. Mini roundabouts could be a design option that is on the table. It is something that we want to solicit.

Commissioner Yoder – I will share a couple high-level thoughts on the mobility plan. I would encourage you, at a high level, to use clear language with the community. Transportation people use a lot of jargon, improvements, level of service. People want to know if they have options for getting to places. If I want to walk, can I do that? Do I have to drive? One of my favorite transportation thinkers is Jarrett Walker. I once got to participate in one of his transit network redesigns. So much of the process was focused on having tradeoffs. You can have this, and we can have that. We cannot necessarily have everything. What do we want to do? What are your priorities and goals and values? I thought that was clear and valuable. I have seen a lot of stress analysis for bike plans. I hate them. NACTO has all ages and abilities guidance for bike network design. I have seen some cities where they do plans. Are you close to all ages and all abilities facility? If you are 8 or 70, they are near you. That is something that people like. That is my main thing. Let’s be clear, legible, speaking language that people think about and talk about tradeoffs and priorities.

Mr. Chambers – I appreciate that comment. It is important to raise that topic of the trade-offs. A lot of what we saw in our plans and the reason it was hard for us to make choices with our existing plans was that they did not tell us what to do when we had that tradeoff discussion. When we have a plan that says a bike lane should be here, a sidewalk should be here, parking should be here, 2 travel lanes should be here, and there is only enough room for one lane of parking and one lane of travel, it does not tell which one and what mode is most important. Working through how we are going to make those decisions is what we are trying to solve here. That will be part of our scoping effort. How do we develop policy that tells us what to do with this.

Commissioner Yoder – Getting Council to go through a process where they think about the tradeoffs and where they fall will help get political buy-in for some challenging corridors and things like that.

Commissioner Carp – You mentioned school speed limits. I think you used the phrase 'when school is in session.' Do you mean the entire school day or drop off and pick up time?

Mr. Chambers – It is just drop off and pick up.

Commissioner Carp – You mentioned traffic calming. A lot of it went up last year. There is the website which lists more projects. After that initial rush of projects, I have not seen much more construction and much more planning there. Is that an active area of work between now and the end of this plan? Is that on hold?

Mr. Chambers – It is an active area of work that we are discussing with Public Works. What is the next step of what that looks like? There is still evaluation of these projects that needs to happen. There is still consideration of what are the things that we want to keep on the ground. Some of those were testing things.

Commissioner Carp – I would encourage you to encourage whoever can do this to keep the websites up to date with both product status evaluations. People have a lot of interest in this topic. They will email you if they can read more on websites.

Commissioner Roettger – You can share that information with other people in the organization as well.

Commissioner Carp – I appreciate your diagnosis of why the current plans have not led to the progress that we hoped for. As you have said, the plans are in conflict. They ask for things they cannot happen at once. As a result, not much happens. Since we adopted any of the plans, we have not built many of the facilities that you are talking about anywhere in the city. Having a plan that allows things to be built will be important. I would love to see in your planning process for the plan having whatever you can, written down about implementation such as implementation, metrics, and concrete goals so we can check after one, two, or three years. I would like to see in your implementation chapter how you will evaluate each year. You will report to Council in this way with the following metrics. We can tell how it is going without having to wait for someone to tell us after 10 years. I would like to see goals around lane miles of whatever is built about measuring car VMTs, mode share. If we could say the different mode share for different modes, here are our goals for 10 years from now. The more that can be in the plan so we can see how we are doing, the better it is going to work. I don't think we have much of that right now.

Mr. Chambers – We don't have much of it right now. That is an area that we have highlighted the need for more of that so we can keep track of our progress. It is the reason that we stood up the strategic office and City Manager's Office. I am sure our new Chief Strategic Officer is going to make sure that I include this as part of our planning. It is part of our goals around this; to make sure that we have actionable, measurable things that we can be doing going forward and not just a list of projects that we would like to do.

Commissioner Carp – I want to know what your reporting will look like every year after plans are adopted. That would be great to see. How much are you working with sustainability? I cannot separate transportation from climate. They are the same issue. I think transportation is the biggest source of emissions in the city and the only source that is growing. I would like to hear how that is part of that team and that goal is part of your process.

Mr. Chambers – They are one of the many groups who are going to be engaged heavily in this process. They are part of our project team for this, specifically the scoping effort. I would assume that they are going to be heavily engaged throughout the entire process of planning. They are just one of many partners. We are also partnered with people, not even in the city. Our partners in Albemarle County are going through the same parallel process as us. They have hired a new principal transportation planner. Her job is to write a county-wide mobility plan. They are having a series of meetings in parallel with us. They are informing their planning commission and their board of supervisors and their local advisory committees of the exact same process that we are going through in the city. We are trying to align those to make sure that we are speaking the same language, that we are talking about the same needs. A lot of people don't know where those boundaries are. We want to make sure that if we are talking about improving mode shares for biking and walking, we are accounting for that. Some of that is to track trips that are coming from Albemarle County that we need to account for.

Commissioner Roettger – Sitting on the Parks & Rec board, the trails are always a popular topic. Making sure that there are connections or shared funding for that. Density-wise, I am thinking of South 1st Street, Friendship Court, and Westhaven. I have been in a lot of meetings in the past where people have a lot of questions about bus stops and where they are. Can they be moved when there are changes already happening in the neighborhood? Making sure that those big projects that are happening are aligned with the best possible bus stops for people who have trouble getting to bus stops.

Mr. Chambers – With the Parks point, their plan is not that old. It is not one of those plans that we are 'dusting' off. Their plan was adopted last year. It had a robust trails strategy aligned with it. That is something that we want to make sure it is aligned with anything that we are planning for the rest of the transportation network. It is part of the transportation network. That will be a part of it. Bus stop planning is always going to be a part of our transportation network. It is always going to be a question that comes up of how we can move those. Around bus stop planning, it is getting harder to move bus stops. A lot of people think a bus stop is just a sign in the ground. It is a lot more than that. We cannot put out a bus stop. We cannot make a new bus stop or change a bus stop without having a 5-by-8-foot concrete pad so that we can have someone in a wheelchair roll off a bus and on to safely. Putting out a concrete pad makes that permanent when we are talking about moving stops.

Commissioner Roettger – I was thinking of these big developments that are under construction where there is time to plan for that. When I have been hearing about things, it is usually 5 or 10 years down the line.

Mr. Chambers – With the larger developments, our zoning code changes have changed their requirements for what they need to do when they submit site plans. Part of that change is that they must not just do a traffic impact analysis but a traffic demand management plan if they are above a certain size. With larger public housing developments or private developments, they are sending those in. This is where we think people are walking. This is where we think people are biking. This is how we think we are going to draw down the number of vehicular trips that will impact this neighborhood. We have that opportunity built into the code in a way that we didn't have prior to the zoning code. That gives us some flexibility before we get the mobility plan passed. The mobility plan will also provide us with some policies that will inform us how we review those TDM plans.

Commissioner Harness – For your timeline, you have through this summer having contracted with a consultant to put together the plan. Do you have any idea of when we might have an adopted plan?

Mr. Chambers – It depends on how fast procurement goes. Beyond that, I would say it is probably going to be 18-to-24-month process to get through. That puts us at summer of 2028.

Commissioner Harness – I am glad that we are getting this started now. I figured that could be the answer. I wanted to get that out there. I have been looking through the Comprehensive Plan and trying to understand all the various appendices that come with the transportation section of the plan. There are several sections. The Master Plan for Transportation references 6 other plans. Is this mobility plan intended to replace all those various plans?

Mr. Chambers – Yes.

Commissioner Harness – That would be good. It is very hard to follow and figure out what is happening. If we could streamline and minimize the number of appendices for the transportation section, that would be helpful.

Mr. Chambers – It may not cover everything that all those plans cover. Some of them were small area plans that we adopted into the Transportation Master Plan section of the Comprehensive Plan. We are not going back and updating small area plans as part of this effort. The bigger plans like Bike Pedestrian Master Plan, Streets That Work Plan, and larger efforts that were around transportation, that is what this is aimed at with streamlining and simplifying.

Commissioner Harness – I like that. There is the integration of CAT into this plan. CAT is an organization that spans jurisdictional boundaries and has funding from the county. I am coming from the position of transit as an extension of walkability and bikability of the city. You can make a pedestrian trip much longer using good transit, even across the city or into the county. How deeply integrated are we expecting CAT to be into this mobility plan?

Mr. Chambers – Some of the answers around how we would want the CAT network to be laid out are going to be addressed before we get into this plan. We are working on the CARTA prioritization study right now. It is the big regional lines that you might see heavy investments on for high frequency service or weekend service or late-night service. A lot of those are already going to be laid out on the network. When we get into the mobility plan, we can talk about where people within the city need additional access to that network. Where are there places where they have challenges on a local level, not on a regional level, to access a bus stop. Where do we need access to a bus that may not be serving a regional purpose but is going into a neighborhood? Those are the kinds of questions and policies we can talk about in the mobility plan.

Commissioner Harness – That is good information. It also sounds like the cadence of these studies and plans is working in our favor. This is a pertinent conversation. There has been a lot of discussion over the many years about development and housing. We hear a lot of comments about parking issues in neighborhoods. Having a good mobility plan and a plan that is actionable that we can work towards can also help mitigate some of those issues. These are going to work together well. I am excited that this mobility plan is coming up now.

Chairman Schwarz – At some point, there had been floated the idea of a transportation mobility committee. Is that something that would be part of this? Would you stick with the typical stakeholders?

Mr. Chambers – We are trying to figure out how we will have a stakeholder group that moves this along. That might be what we go with.

2. **Homestay Ordinance Amendments**

Staff Presentation

Missy Creasy, Deputy Director NDS – I will be guiding you through the materials that have been compiled related to this project. This will be the homestay and short-term rentals ordinance.

Next Slide – Agenda
We are going to have an introduction. We will go into the study process, research & data, and potential options for changes to the code, some of the community and stakeholder engagement. We will provide some background on that, implementation, and the next steps. I also want everyone to note that there is a website that has a lot of information about the details of this project. This is an overview. There is a lot of different information there.

Next Slide – Homestay/Short-Tern Rentals Study Overview
We are going to begin with the definition of a homestay. This is specifically a residential property that is rented for less than 30 days. The properties that we have been studying in this opportunity have been the residential properties in the residential areas, which are RA, RB, and RC. Most of the light yellow that you can see on this map are the areas that were most of the focus. Property owners who reside at the residence for at least 185 days of the calendar year can apply for a homestay permit. It was determined that it was time to review the current ordinance. It was a decade old. It is one of the earliest ordinances that was formed for short-term rentals around the country. We have many communities all over that use our ordinance as they are forming their own ordinance. There are a lot of times where you will see something that looks familiar out there. The number of homestays has increased significantly. It was a good opportunity to look at the regulations and context of current Comprehensive Plan goals. There is a specific goal to look at this. That was part of the reason why this became a project.

Next Slide – Current Regulations in Residential Districts
I am going to go through the high points of the current regulations. This is what is in the books today. This includes proof of residency, including some sort of photo ID. Homestay permits are valid for a year with a $100 fee. The code states the operator is required to have several safety measures including smoke detectors, carbon monoxide detectors, and fire extinguishers. The code requires the permit holder to allow staff access to the premises once a year if notified in advance. That is already included in the code. They must reside within the unit for at least 185 days of the year. Up to 6 adults and any number of children may lease a homestay.

Commissioner Mitchell – With the photo ID requirement, is that legal?

Ms. Creasy – It is a proof of residency. The code gives a couple examples. We have found that some of the examples that are in there do not provide proof of residency. Our person who works through these permits works back and forth with applicants to make sure that they have something that shows that the individual is a resident.

Commissioner Mitchell – It needs to be a photo ID. For example, my photo ID/driver’s license has a different address from the one I live at. There are probably lots of people like that.

Ms. Creasy – I know that they work with individuals. It is not a one size that fits all.

Commissioner Harness – On a previous slide, it says there is a maximum of 30 days per year. It is not repeated on this slide. When I was preparing for this, I was unable to find that 30-day maximum. Do you know where that 30-day maximum is referenced?

Ms. Creasy – Not off the top of my head. I believe it has something to do with the levels of residency. If it is over 30 days, it is a long-term situation.

Next Slide – Study Process Timeline
This is a timeline that shows the progress of this project. We started in the spring of 2025, with scoping of the project and information gathering timeframe followed by a community survey and procurement of the Granicus System, which we will talk more about as we move forward. Drafting of the recommendations, based on findings, began in the winter 2025. We met with the community and had other outreach opportunities. We are now in the process where we are meeting with you all in Phase Five. We are scheduled in May to provide a presentation for the City Council.

Next Slide – Granicus System

What is this system? This is a software platform that is tailored to the city. It shows the city. It provides several data points for us as we are looking at short-term rentals. It locates them by finding listings online. It helps assist us with proactive enforcement and licensing. The Commissioner of Revenue Office uses this. If it shows that a location has been listed, they also link in and make sure that individual is following the rules that they need in that realm. It also has a system of generating and sending out letters that help us through the enforcement process. What we have gained from the system so far was the identification of 529 short-term rentals. That is what it is showing. We are going through that to see exactly what that is. We think the number is a bit lower. We are having to go one-by-one to try and figure that out.

Chairman Schwarz – Is that 500 more than we previously knew about or just 500 total?

Ms. Creasy – That is 500 total showing up.

It tracks rentals on every platform. Any sort of homestay, short-term rental type that is on the web, they mine that data into this system. It catalogs the rental history. It is taking the information. If it has been rented in the past, it gives us a flow of what that has looked like. We are in the beginning stages of using this. It really has made a big difference in us being able to figure out the research phase of concerns that come in. Prior to the system, we had a staff member that would go from each of the different websites, plug in the address, try and gather the information. If there was a listing, we would have to screenshot everything because the data changes. If we click on the address on that map, it links to the listings for that address. It has been a huge time saver in trying to increase our enforcement issues.

Next Slide – Charlottesville Homestay Data
This is some data that came out of the system. It shows us, in most cases, how houses are rented. That is a data point. It also shows us information on the number of bedrooms that are listed through the system and the percentage throughout the community.

Next Slide – Budgetary Impacts of Homestays
We have some data from the Commissioner of Revenue's office concerning transient lodging tax. Short-term rentals are 17 percent. This 17 percent is anybody who is using an online hosting site. This is a combination of anybody who is in the commercial and mixed-use areas or the residential areas. It is not just the residential area that we are talking about. That is wholly what comes from that. It does note that we still have a robust market for hotels and motels.

Commissioner Mitchell – These numbers are confusing. Is this $12,000 per homestay?

Todd Divers, Commissioner of Revenue – The top line is business, tangible, personal property. That is business equipment. In a hotel, that is going to be your beds, your fixtures, and things like that. Airbnbs don't have very much. They might report a bed or TV. There is not much money there. There is no meals tax on homestays. Hotels pay the meals tax. The transient occupancy tax is the big one. You see that hotels and motels pay $7.6 million. The homestays pay about $1.5 million.

Commissioner Mitchell – Is that the 9 percent that you referenced earlier?

Mr. Divers – The 9 percent is the rate of the tax.

Commissioner Yoder – Do we have a sense of the scale between hotels and the short-term rentals? How many hotel rooms are there in the city versus how many rooms there are in short-term rentals?

Mr. Divers – I don't. Chris Engel (Director of Economic Development) could give it to you.

Commissioner Yoder – That would be more useful in putting that the hotels generate more revenue and probably a lot more hotel rooms.

Commissioner Carp – Do we know what fraction of homestays are compliant and paying taxes as of 2025?

Mr. Divers – With regard to the transient occupancy tax, I can tell you that is now almost entirely paid by the online platforms. Airbnb and VRBO are collecting the money and sending it to us. Virtually none of the hosts must do that anymore. There have been some changes in Richmond.

Commissioner Carp – The Granicus compliance end is about making sure other rules are followed, not tax collection.

Mr. Divers – Primarily. We are still getting business licenses from them. We are still getting tangibles from them. It is not much.

Commissioner Carp – Looking at this chart, the bulk of the money is through the platforms, not through Granicus.

Next Slide – Economic Impacts of Homestays
Ms. Creasy – In addition to tax revenue that comes in, there are several industries that benefit from short-term rentals. That includes a lot of our tourist money that comes into the community in breweries, vineyards, weddings, restaurants, businesses, etc. Those are the big things we have around here. Other areas are where we have cleaning and repair companies. There is business that is involved with that as well.

Next Slide – Comparative Research
We started out by doing comparative research from other communities. Online, we have charts that show the communities and the details. This is just the highlight of that. We found that most localities require proof of residency. The fee for a homestay permit varies quite a bit. We are not even in the middle. We are on the side there a bit. Many do require safety inspections. It is common for there to be a limit per bedroom and/or a number per property. That is a common thing. Proof of insurance is often required. All the localities that we were able to find had some kind of residency requirement.

Next Slide
New for Virginia is this human trafficking certification that operators in Virginia will have to be compliant with. This is something from the state. As we have talked to providers, they are not exactly sure what that is. We have not gotten a straight answer either. We know it will be a requirement. Until there is clarity, our understanding is it will be online training that would be offered to cover that. I am sure that some of our people might have some feedback when we get to that point.

Next Slide – State Code Provisions
The General Assembly passed a new law that requires localities to allow tenants to be able operate short-term rentals with the permission of the landlord. That is a change. The requirement would have to be put in place if we made a change to the short-term rental code. That is something that came out as part of our study. That has potential to open the use of homestays to more operators within the community and increase the numbers and potential increase to neighborhoods. There are a lot of unknowns with what that might result in.

Commissioner Mitchell – This confused me. I suspect that nobody else is confused. Just to be sure everyone understands. If we don’t revise the ordinance, bullet 1 does not come into play. Bullet 1 only comes into play if we go in and change the ordinance.

Ms. Creasy – That is correct. We have gotten that legal interpretation.

Next Slide – Proposed Options
We have a chart that was put together that provides information concerning the current regulations. Besides, some of the proposals that had been under consideration. Many of these were items that we had taken to the public when we went to the open house. This is a good visual. I know that people have had this. It has been online for the last week. It was a good opportunity to see what is currently in the books and what was a potential proposal, given the feedback we have had so far.

Commissioner Mitchell – There is a proposal to cut the days they can be rented in half from 180 to 90. Am I reading that right?

Ms. Creasy – That was one of the proposals that came forward.

Commissioner Mitchell – What was driving that?

Ms. Creasy – It went away.

Commissioner Harness – To my earlier questions, current regulations are you can rent it out as many days as you want.

Mr. Creasy – You could if you are there.

Commissioner Harness – You must be there for 185 days. Even if you are there, you can still rent a room. The other 180 days, you could rent out your entire place. To further clarify, these proposals are community proposals or staff proposals.

Ms. Creasy – Mostly staff from the research. Those came forward to the community meeting. As this has evolved, we wanted to give the record of the steps that have come along the way.

Commissioner Harness – I am just trying to reconcile these proposals with a future slide. I am trying to understand where these proposals lie within no change recommendations.

Kellie Brown, NDS Director – We thought about doing a spoiler alert slide. We are going to take you through all the recommendations that we considered but ultimately have decided not to make any recommendations for changes.

Commissioner Mitchell – What was staff thinking when you decided cutting this in half might be the way to go?

Ms. Brown – I wanted to try to clarify that question. The regulation today is that you must live there 185 days, more than half the year. The proposal that we have been considering is that you can rent the unit for no more than 90 days. We were not proposing to cut the requirement in half. The proposal that we have been considering was that you can rent out your unit for no more than 90 days. You are still going to be required to have to live there at least half a year. You were going to have to demonstrate that you were a permanent resident. On top of that, we have been considering an additional provision that you could only rent it out 90 days out of the year

Ms. Creasy – This is an accessory in a lot of ways. This is not supposed to be the main use of this dwelling. The main use is where the person lives. With the estimate of 90 days, we talked about the potential to rent every weekend. A lot of people do the weekends or do special events in the community. Narrowing that down is where that proposal came from. It was not very popular at the community meeting at all. It was something to continue to enforce that this is one piece of the puzzle in that people live in these houses.

Commissioner Carp – Why are we talking about things that you are not recommending that anybody does?

Ms. Creasy – We are providing the process of this project. That has led to some confusion. This was a piece of where we landed or where we progressed through this. We had this set of recommendations. More information came to light. We changed as we moved forward.

Chairman Schwarz – It may be less confusing. We will have a chance to ask staff questions when Ms. Creasy is done with the presentation. Maybe it would be less confusing if we kept these clarifications and then we really get into questions.

Commissioner Carp – It is not confusing. We are talking about things that we are not talking about. None of this is happening.

Chairman Schwarz – We could advise staff. Maybe we like these proposed changes. When we get to the end of the conversation tonight, we don't get to vote on it tonight. Staff are going to be looking for some kind of feedback from us at the end of this. Let's let staff finish their presentation. We can ask them some questions and figure out from there where we are going.

Next Slide – Cost/Benefit of Amending the Ordinance

Ms. Creasy – We had a lot of weighing a lot of different things. As we move forward, I will talk a little bit about the highlights that we have received from the community so far. With the benefits, more stringent requirements to demonstrate owner occupancy, internal safety inspection requirements. We currently can do that. The proposal would provide more of a requirement. The occupancy allowance increased from 6 to 8 adults allowing for some flexibility, which would work for a lot of places within the community. Permit term would reduce staff time approving permits on an annual basis. Some of the costs to consider as part of this are increased staff time on internal inspections, code changing. We would have to jump into the tenant operation allowance now and their potential impact with more guests.

Next Slide – Community Outreach
These are some of our big outreach opportunities. We conducted an online survey in May and June of last year. We had 500 respondents to that. I will talk about the areas of information we heard about that. We had a community meeting on December 3rd. We met with a group of advocacy group, STR advocacy in February. This is in addition to the ongoing dialogue. We have had a lot of people provide inquiries. We talked to a lot of people throughout this process. There have been opportunities to gather feedback. I am sure that we will gather more as we continue.

Next Slide – Community Survey Highlights
There were a couple of highlights. We had 500 people respond. That is a hefty response. Key benefits that were noted were economic opportunities for the owners, tourism, and visitor options. Some of the primary concerns that were outlined were housing impacts, neighborhood fabric, and a variety of nuisance related items including noise, parking, and traffic issues. There was a grouping that identified no concerns with short-term rentals. Most of those people identified as resident homeowners. That is additional information for consideration.

Commissioner Carp – It says a subset. Is that 1 percent, 5 percent, 10 percent. Do you have any idea?

Ms. Creasy – I do not. I do not see the individual who worked with the survey. That is a question that we can address.

Next Slide – Community Meeting Highlights
We held a community meeting in December 2025. We had a diverse group of participants, a lot of different neighborhoods, ages, people in different housing situations. It was an opportunity for attendees to review displays, ask questions of staff, and provide comments. We had a formal presentation and a question/answer session as part of that. It was noted in the summary that homestays generate economic benefit, boost tourism, and offer a unique lodging option that helps support local businesses. Some of the concerns that were noted had to do with the rising cost of housing due to a lack of availability and the permanent loss of resident space.

Next Slide – STR/Advocacy Meeting Highlights
Through the community meeting, a group of short-term rental operators organized and contacted the zoning division with a different model for regulating homestays. This group provided several questions for review and had suggestions as to how the ordinance might be changed. The highlights of that are noted here on the slide. Staff do want to note that we received comments from other providers in the community who are not part of this group and don't feel that group represents them. That is another thing to consider.

Commissioner Mitchell – What would people like to see the 185-day rule replaced with? They would like to see it loosened.

Ms. Creasy – Yes. I am sure we will get some more feedback. There is some more information that is more detailed.

Next Slide – Key Findings and Staff Recommendations
We have several things that we have learned or confirmed through this process. Community engagement indicates support for short-term rentals within the community with increased enforcement efforts. Community occupancy limits of 6 adults limit larger properties but provide several opportunities for many operators within the community. Strengthening requirements for home occupancy would be challenging to enforce. A key item that came to light in this process was the state code provision. It is an unknown potential impact. By making a change to the code, we would have to put in this allowance for renters to operate homestays with the owner's permission. Because we are just beginning to implement many of our new measures with our enforcement tools, we are concerned about introducing that unknown now.

Speaking of those new measures, staff have also determined, with the new resources that we have, the new software, and we have dedicated staff to this effort, that we are hopeful for improvement on the concerns that we have been facing in this community.

Next Slide – Staff Recommendations
Here is where we have landed at this moment in time with recommendations. That is to maintain our existing code without any amendments, to strengthen monitoring of homestay compliance, permitting requirements, and education about homestay requirements. In addition, continue to monitor the impacts of the state code provision allowance, as that is implemented in other places throughout the state of Virginia. For homestays that are in zoning districts that are not in residential districts, we did not look at those as part of this process, to conduct the yearly inspections. Those in commercial and mixed-use areas end up in a different building code situation. Our fire marshal has been researching the best way to handle those. There is that side project going on. Continue to study the issues pertaining to those situations for a future work plan priority.

Planning Commission Questions

Commissioner Yoder – We maybe got hung up on the proposed language on that one slide. If it was just an option you considered, I would suggest not calling it. It sounds like someone is proposing to do this when it sounds like you considered it but are not proposing to do it.

Ms. Creasy – That does make some sense. I just got some information. The subset category was 20 percent of the 500 in the community survey.

Kellie Brown, NDS Director – There is also a question about data on several listings. We were able to research that as well. One statistic we can offer is that in 2024, there were 4100 hotel rooms in the market, over 1.5 million listing nights available for hotels. Short-term rentals accounted for 14 percent of that inventory.

Commissioner Carp – Is that pre- or post-Granicus?

Ms. Brown – This is a different data source. This is data that we get from a source called Air DNA. I am not sure how it relates to the question about Granicus.

Commissioner Carp – I don't know if it is complete, if it is from the platforms, they hopefully are not telling you lies. If it is staff screenshotting listings, you will miss things.

Ms. Brown – The source is Air DNA. It does this kind of market research to develop these kinds of statistics. You can take it with a grain of salt. That is what Air DNA tells us about the share of the market.

Commissioner Yoder – I have one question about enforcement. The code is set up so that you cannot have a full-time short-term rental. You cannot own a property and Airbnb it full-time. You must live there for more than a half-year. We all know that there are full-time Airbnb homes in the city. I live 2 houses down from one. The platforms are directly paying occupancy taxes to the city. Does that mean that there are unregulated short-term rentals who are still paying the occupancy tax to the city?

Ms. Creasy – Yes.

Commissioner Yoder – Can you talk about the enforcement of the full-time short-term rentals? Do you have any numbers or order of magnitude. What do you do when there is an unregulated short-term rental that does not follow the 185-day residency requirement? What are the steps? I am curious to get a sense of scale. How often does this happen?

Ms. Creasy – That is one of the hardest things to enforce. As we have gone through this process, we have been meeting with our attorneys as part of this. They have been with us along the way. Enforcement of that is going to be a challenge. It will be a challenge all around. As part of our proposal, we met with the Commonwealth Attorney's Office trying to work through different enforcement opportunities that would be available. It is a tough thing to do. We must rely on the regulations that we have. We get concerns from people on a regular basis. We investigate them the best we can with violation letters. It is always going to be a challenge

Commissioner Roettger – Just because the tax is coming in with the new software, you would know about it.

Ms. Creasy – Our efforts are separate in some ways. We know that people are paying taxes for something that they may not be doing with all the proper paperwork. The software gives us the opportunity to more quickly find these locations. Before, it would take hours to go from site to site and try to pick the information off them. Now we have it coming in one thing. There will still be violations. We can find them quicker based on the data that is online. We don't have to go in individually to find it. It comes to one place.

Commissioner Yoder – What is the violation for afoul of the short-term rental code? Do you get a fine?

Ms. Creasy – There is a fine opportunity. It is limited. This is in the zoning code. We have fine opportunities. They are limited to a zoning violation level. We have attempted to explore other opportunities for trying to continue to enforce this. We have found some of the most effective ways are peer related. People want to have the opportunity to do this in the community. If there are people who are making it difficult, that becomes a challenge. That is another option. This use could go away for the community. The community does not want that. We have shared that they are interested in keeping this use in the community. That is an option that is on the table if it becomes something that is not working for the community.

Commissioner Yoder – It sounds like the violation; the fine amount is not that effective.

Ms. Creasy – It is not a huge deterrent. Once you get on the radar of your neighborhood, it gets complicated. You are getting letters, concerns, and calls. The rules are there. They are straightforward. It is a struggle. Most people are doing what they need to be doing. The ones that we hear about are complicated cases. It is like any kind of property zoning violation. Most people are doing what they are supposed to. There are situations where there is a struggle

Chairman Schwarz – Can you remind us of what that fine is? Is it $75 a day?

Ms. Creasy – I don't think it is a per day. It is $200 flat per violation. It is a couple thousand for the maximum. We can constantly send letters and violations. That is not the most effective way. It is a method, and it is one that we do employ. It is a challenge.

Commissioner Roettger – I am mostly looking forward to hearing from people who are using this. I also have a question about ADUs. When you say the number of days that you are living in a unit and you have an attached or detached second unit, which we will hopefully have more of in the future, how does that work?

Ms. Creasy – You can have one short-term rental on site. This is an accessory to people living in a residential area. This is not meant to be a sole source. I know that people have different opinions on that. This is something that is supposed to be compatible with residential neighborhood living.

Commissioner Harness – In my read of it, can it only be one unit? It must be the one that is occupied by the operator. You cannot live full-time in one unit and rent out the other one as a homestay.

Commissioner Roettger – I know people in my neighborhood who have a separate one-bedroom unit in their backyard who seem to live in one and rent the other.

Chairman Schwarz – What is staff's opinion on that?

Ms. Creasy – In those cases, it is not going to rise to the level of violation that other things. The ones that we spend most of the time on are nuisance related.

Chairman Schwarz – It is technically a violation. It is not one that we bother with.

Read Brodhead, Zoning Administrator – I wanted to mention that for violations it is $200 for the first violation. Every 10 days, we can send a $500 violation up to $5000. It is a maximum of $5000. To mention how many Airbnbs you can have on your property, it is one. You can have one Airbnb on your property. It could be in the house, the ADU in the backyard, the ADU in the basement. It is one per property.

Ms. Creasy – If there are multiple units not on a property, it is one. This is something that is supposed to be compatible with neighborhood living. Things can change in the future. That is where we are now.

Commissioner Carp – For enforcement, is it possible to say if you have broken the rules in some obvious way, can we deny permission to rent on these platforms at all? Is that not possible to do?

Ms. Creasy – We would not be able to tell the platform. We could tell them. They can do whatever they want. We can revoke permits. We cannot issue permits. Since this is a yearly permit, every year is an opportunity to reevaluate what is happening on site.

Commissioner Carp – You can deny a permit, but the operator can still ignore you.

Ms. Creasy – That happens with all sorts of things everywhere.

Commissioner Carp – Do staff currently deny or revoke a permit if something comes to their attention for enforcement?

Ms. Creasy – We go through the checklist of items to get the permit. If the individual can meet that permit requirement, then we issue the permit.

Commissioner Carp – I think there was a BZA ruling where that was not done. Someone did not live on the site. BZA determined that they could not take the permit away from them.

Ms. Creasy – If we are in a situation where we are ready to remove a permit because of a violation, we are going to be working with our attorney's office to make sure that everything is in place to do that. That would not be the first route we would go where we work with people as much as possible. We want people to take advantage of the opportunities that the community provides. We also want everyone to do that in such a way. It is tough.

Commissioner Carp – I am trying to understand if there is a problem to be solved here. It has been 10 or 11 years in time to revisit the ordinance. It sounds like there are no recommended changes. There is not a huge problem. This is more of a refresh. We checked and things are roughly okay. Are there problems that we need to solve in the ordinance?

Ms. Creasy – There are always things that can be tinkered with. We would be having a different conversation if we were not faced with the state legislation that we are working with here. We might get more into the weeds and make some adjustments. We have a good ordinance for what it is. A decade ago, the industry was not quite what it is today. It is a lot more robust now. It is lucrative. If people are doing it according to the rules, go forth. When people don't do things according to the rules, we hear about it from various sources. We try to do the best we can to get people back into proper compliance.

Commissioner Harness – Related to the zoning text directly, there are some references from the homestay section to the home occupancy section that are contradictory. The contradictory one is that in the homestay, you are not allowed an exterior sign. With the home occupancy section that is mentioned, you are allowed an exterior sign. It is maybe worth cleaning that up. One that could confuse people trying to do a homestay is subsection 4 of the Home Occupation code. It states that your customers cannot visit earlier than 8 AM or later than 9 PM. It is hard to have a lobbying place where people can visit you at night.

Ms. Creasy – You are not going into anything that we are not already struggling with. When they put forth the new code, things were in provisional use. Things were in home occupation and in temporary use. Those things were mumbled together. We are struggling with some of the changes that have come forward. We know that those are potential conflicts. We must balance all the activities that are going on. We realize that that is not as clear. Usually when we get calls concerning that, our zoning staff can provide some clarity. Mr. Broadhead, isn't that one we talked about already in the mix?

Mr. Brodhead – That is the sign issue. People use short-term rentals after 9 PM. It is ridiculous to have it there. I don't think it was meant to limit when a guest can go in. It is like lumping one code into the next. It caused some issues. I have only heard one complaint from one person about that section of the code. It is something that needs to be cleaned up.

Commissioner Harness – From a larger standpoint, I understand that when this was developed, it is basically trying to prevent displacement from our residential neighborhoods. It is trying to maintain neighborhood character. There are reasons for trying to allow short-term rentals within the city without it causing a disruption, which other localities and municipalities have experienced from them. It would be important to try to strike that balance along with potentially using short-term rentals as a method of building more housing units in the city along with student housing. With the larger discussion we are having, the reason the student housing is being built is because they will pay a premium over what a single family will pay for a unit. With that premium, developers are willing to put their money at risk to build new buildings to be able to supply them with housing. With the study we were shown the other day, we are not getting anywhere outside of student housing. Short-term rentals operate similarly. They will provide a return to operators potentially over and above what a long-term rental will. That is why people gravitate toward them. Could we use that dynamic as a way of saying that if you build an ADU or just a second unit on your house/property, you intend to use that as a short-term rental, you can build that extra unit to continue to grow the housing supply in the city. That extra unit is not going to be a STR forever.

Ms. Creasy – You can already do that if you are living in one of the units. This is a hard one. We will get into it more. The code that we put forward in 2001 is going to take awhile to come into play. I have been here awhile. We had a vision in 2020. It took over 15 years for that vision to start moving forward. These things take time. If the person lives in one of the units, that is great.

Commissioner Harness – My point is short-term rentals can bring outsized returns. That is why people want to do short-term versus long-term. Can you use that dynamic to try to build housing where long-term rental housing does not pencil? You are also not displacing anybody in residential areas because the house is not yet built. There is nobody to displace.

Chairman Schwarz – I am going to let the Planning Commission talk once the public has had a chance to make their comments. This is for us to clarify stuff from staff so that there are fewer questions from the public. They can have a chance to make comments to us.

What is the current practice for multi-family projects?

Ms. Creasy – If you are in a non-residential district, you are then considered general lodging under the zoning code. That does not fall within homestay. There are other building related things that come up with that.

Chairman Schwarz – If people are in a condominium, are they allowed to do an Airbnb?

Ms. Creasy – They do it.

Chairman Schwarz – We work with that, or it is unenforced.

Mr. Brodhead – For multi-family buildings, you must get your landlord's permission. That prevents many from doing it. Occasionally in a student housing complex, you will see them for about a month. They disappear when the landlord finds out.

Chairman Schwarz – I am thinking about Belmont Lofts where people own their unit.

Mr. Brodhead – They can do it there. If there is an HOA and they prohibit it, then they would not be able to do it. We would allow it. As Ms. Creasy said, it would be general lodging.

Chairman Schwarz – You said that Granicus has identified 500+ of these properties. Do we know how many we knew before we had Granicus?

Mr. Creasy – A couple hundred.

Chairman Schwarz – This did expand how many we know about.

Ms. Creasy – It is like any kind of data thing. Yes, we see all these dots on the page. We are still digging into that to mine down to an actual number. We have not split out the ones that are residential from Granicus. We have done that a different way. There is still a lot of work to be done.

Chairman Schwarz – This data is new enough that we have not had a chance to figure out if all those properties are to enforce things or to figure out if they are all complying.

Ms. Creasy – There has been some limited with that. We are at the time where all the applications are coming in. Mr. Divers was able to send out a notice to remind everyone that they had to pay. Between that and a notification we sent out to everyone that we have on record, we just got an onslaught. We are working through that. We are getting through that. We are strategizing on the people who have chosen not to apply for permits but are showing up as having listings.

Chairman Schwarz – You said that we have a $100 fee per year. That does not currently cover enforcement. How close does that come to paying for the city's cost?

Ms. Creasy – We don't typically cover our cost.

Chairman Schwarz – For the proposed option, the option that may not come to be, $500 for 3 years, would that cover our costs?

Ms. Creasy – We figured it would come closer. It won't completely. We also wanted to be reasonable about a fee. That is how all this works too. It is the cost of doing business. If it gets too high, you lose the balance.

Chairman Schwarz – It seems like that would be the typical non-homestay person taxpayer subsidizing people who are operating homestays. It seems a little unfair.

Public Comment

Todd Divers – The 30-day requirement has to do with the rules around the transient occupancy tax and license. With 500 or so listings, a lot of times you will find multiple listings for one property. It tends to inflate that. We have seen 250 or so business licenses every year for several years. That is a truer number. With respect to enforcement, in addition to what they have, if you operate a business in the city of Charlottesville and don't get a business license, that is a class 1 misdemeanor. We used to spend a lot of time chasing people down. That is a stiff fine. The problem with that is the way the business license interacts with the homestay permit. I am not supposed to issue a business license to somebody until they have their homestay permit. If I go out spending a lot of time, tracking down somebody on one of these for $35 business license and they don't bother to get the homestay permit, it is a waste of time. For years, we were the office that was driving the enforcement of these things. It has shifted over to these guys. We now have Granicus. It is probably going to happen more. If you want to know the biggest impediment to enforcement, it is the annual fee. I have expressed that to these guys. The zoning inspectors spend all their time chasing down checks. The way that impacts me, I cannot issue a business license until the homestay permits have been paid. The result is my office sits on hundreds of business licenses that people have filed for and paid for. I cannot issue them because they did not go to NDS to get the homestay permit. My suggestion has been and remains that the homestay permit, like every other home occupation permit, should be a one-time thing. I know that we have other fees, other permits that get renewals. They don't have another license hinging on them. With the café spaces and the vendors on The Mall, that is a fraction of the number of people. They are easier to track. If you guys are going to make a change, the only change I am here to advocate for is to make the homestay permit a single time fee.

Deborah Weiss – I have been in Charlottesville since 1995. I feel like I am the poster child for short-term rentals. I was instrumental in getting the ADUs passed in the early 2000s. I wanted to build a house in my backyard before the city was even upzoned. That is what I did. I started short-term renting in 2013. My house does not face the street. It is in my backyard. It has its own car park. I greet every guest. I have never had one complaint. The city keeps raising the assessments on properties and the property taxes. Without my short-term rental, I would be priced out of my neighborhood. The property taxes that I must pay is over $11,000 a year. I want to switch it around for a second and let you know that my short-term rental keeps my house affordable for me. The other point that I want to make is the correlation between affordable housing and short-term rentals. For me, I did not take away housing. I added housing. Even if I long-term rented my place, it would not be affordable. I feel that the house in my backyard is my retirement account. It is my real estate investment. It is how I put food on my table. I think we are all for responsible hosting. I think I do a good job. The other point I want to make is that this is a business. It is hard work. It is not something that people think that they will make a lot of money. A lot of people try it. They either rent it long-term or short-term rent it. There are a lot of places that might show up on your software where it is people who rent their house out for graduation or for football season. They are not doing it all the time. You need to take the number of places with a grain of salt.

Chad Webster – Some of us have gotten text messages from our STR group. We were surprised today. We were the ones that came to this meeting at the last minute finding out about it. We shared with other people within our group that also were hosts. 'Hey this is going on. Did you know about this?' We didn't know about this. We did not feel it was overly transparent. We then had some questions. That is why we started writing NDS and asking for things to slow down so we could be part of the conversation. Today, our understanding was that they were not going to ask for anything at this point and work on enforcement & conversation and communication with us, which we welcome. It seems that there might have been another agenda. That is confusing to us. I have commercial and residential properties with a business partner of mine. Many of those are downtown and midtown, a lot of residential units. Some of those are rented to Airbnb. With the people who rent from us, we allow them to do Airbnbs. We have turned much of our inventory in there. We keep it long term. It is easier for us. We have a lot of it. It would be more work for us. Part of the picture that is not painted here, without following all the rules and regulations or being regulated like a citizen in the neighborhood can turn all of ours into Airbnb 365 days a year. That seems convoluted when we are looking at being stringent and strict on citizens in a neighborhood. Part of the missing picture here is in that neighborhood there are buildings and stuff that could do the exact same thing as I am doing. We could turn them all into Airbnbs and remove long-term rentals from the market and take extra expenditure from citizens, which historically has been proven to spend in the area. They are going to take their yearly vacations. They will not eat out as much, order out as much, show locally, or spend as much locally. As a person that rents to commercial, this is where we saw a real problem. We currently know that restaurants are having a tough time. We want tourism to grow. We want the local people to keep eating out and spending money locally. As long as I have known about Airbnb, 99 percent of my understanding of short-term rentals are on one of the two major platforms. They have collected 14.5 percent tax. 9 percent have been going to the city without any problem or extra work. We should be incentivizing people in some of these areas where there is upzoning to build more of these.

Colleen Kelly – I appreciate that we are addressing this. I am glad that the recommendation is to keep everything as it is. Granicus has not been running for very long. You don't have great data that is out there. A lot of the problems are these people that are gaming the system. I run a legal, fully compliant Airbnb. We are hurt by people who are taking advantage of the system. They deflate the prices, undercut us, cause problems in the neighborhood, and we then are over regulated. If Airbnb is generating $1.58 million in taxes and we are only 14 percent of the occupancy, that means we are punching above our weight in terms of how much tax revenue we are giving. Of the total amount, that is 15.7 percent of the total. I am a community member. I want to reiterate what other speakers have said. The Airbnb makes it possible for me to live in Charlottesville and to upkeep my property. Without it, I would be in a world of financial hurt. It is a lot of hard work and a lot of my hours. Whenever we talk about all this, we are good with compliance. It will be great that things are paused until we get a better picture of all this. I had a question about one of the data points. It says X amount of the entire house is rented. I am curious because technically we are like duplexes. When you put things on Airbnb, you either must say you are renting out a room or renting out an entire home. Technically, we are under a duplex, we would fit into the category if you were using the Airbnb metrics of the entire home. We will fall into that category. We are not in a situation where we are renting rooms. As opposed to the Hilton or Marriott taking the money that they earn from short-term rentals and spending it wherever, I am spending all the money that I earn in my Airbnb after expenses in this local community. It is another thing whenever you are considering the calculus of how much or how little short-term rentals are contributing to the city of Charlottesville.

Sam Galand – It seems like the agenda is not being considered. I do not operate Airbnb. I wanted to speak in support of people's rights to operate a short-term rental. I thought that the maximum 8-person was an unreasonable regulation. People should be able to rent their property on a long-term basis or a short-term basis. Some reasonable rules make sense. The 8-person maximum seems arbitrary. If you have a 6-bedroom house, that seems unreasonable. I noticed that there is a 6-adult limit. I don't know if that is enforced. If that is in the books now, that should be reconsidered. I am not sure what the reason for that is. These rentals provide significant benefits. These rentals are big tax revenues for the city and are activity for local businesses. If some of these were eliminated, specifically the larger ones, you might lose some of that economic activity. It may be shifts to hotels or shifts to the county. That goes to county businesses. It is a cool resource for residents. Maybe it is a special event, graduation, or a reunion. These are all good resources for people that live here. It is an opportunity for homeowners. If you take away that option, you might get less housing built. We have given the homeowners the tools to add one unit or an ADU. If we increase the regulation on what they can do, you are going to get less of that. There are people that have operated these in good faith and built small businesses.

Genevieve Keller – I sat where you sat a long time ago. It happened to be during the period in which we crafted this ordinance. We worked on it for months. We had a lot of debates. We had a diverse group of people sitting on the Commission at that point in time. Two people were operating a bed-and-breakfast or short-term rental. This was the best we could come up with. There were those who argued for more than 6. Six was based on 2 people for every 3 bedrooms. We were thinking about housing our community. Anyway, why don't you have an apartment? Because of that point, you could still have an ADU in your house. This is what we came up with. If you asked me 20 years ago, I was going to have this, I would say you are crazy. I have spent most of my life being a consultant flying all over the country. The reason I did it was because my son had graduated from college, traveled on a fellowship around the world, and came home. Before he went back to school, he asked to have a BNB. I let him do it. He left me with the football season booked up. I do enjoy it. I make beds to pay my taxes. I don't have to fly all over the country and be a consultant. I enjoyed doing it. People come for weddings, football games, vineyards, sick children, and dying parents. They come for lots of things. Because I have been a planning commissioner, I believe in housing. I don't rent anything as a BNB that I could rent as a dwelling unit to a long-term renter. I don't have any kitchen units. We have as good an ordinance as we could have. I support keeping what we have now. To open it up would open a big can of worms. Ms. Creasy has talked about what you might have to do if you make a change. Hopefully there are ways you can work with Mr. Divers and other ways to collect fees so that you can take care of those things.

John McDonald – I find this whole thing confusing. I am looking at your current requirements for up to 6 adults and any number of children. Your proposal is to provide 2 adults per bedroom up to 8 people. In your current requirement, there is no requirement of bedrooms or the number of people, any number of children, which seems to me to leave that open to an infinite number of people in a house. You are now saying that you can have up to 2 adults per bedroom, up to 8 people. What happened to the children? Is it still unlimited children? What is your definition of a bedroom? This is why I find this confusing. You said that you increased the number of people. I would like to know how that increase works.

Mr. Brodhead – The definition of bedrooms is limiting. It is something that I have spoken with the City Attorney about and that we would probably allow children to come in as well. It is hard to deal with, and we don't have the answer. Currently, it is 6 adults and any number of children. We have heard from a lot of people staying with wedding parties. They are exceeding occupancy right now. In the future, it would be 8 adults per home, 2 adults per bedroom, and we will probably exempt children from that in a proposal. You could still have families. That hopefully answers your question. Through this whole presentation, there has been so much research and so much time spent trying to come up with a proposal. We ran into roadblocks in the many different routes that we are trying to take. With this code section that would open it up to renters to be able to potentially utilize the short-term rental ordinance, we decided to recommend nothing.

Sarah Shelton – I want to talk about a couple different separate topics. I am a mom. When I look to go and stay at places, I don't look at hotels. I want an Airbnb. If I am going to stay with family, I want an Airbnb. The last thing that I would want is for the city to make this more difficult for families to come and stay. Charlottesville is family friendly. I don't want families to look at it and decide to go somewhere else where I can put my kids in a different room to sleep because my child won't sleep quietly. He needs to be on his own. It is nice to be able to go somewhere and have multiple rooms, a kitchen, and a bathroom with a tub. These are just things that I don't want the Commission to forget. I was talking with our cleaner. All her business is Airbnbs. The same thing applies to a lot of other vendors in the area. It is important not to forget the financial impact that Airbnbs have. There are cleaners in hotels, landscapers for hotels. There are small business owners who rely on that. If Airbnbs became totally outlawed or it was just single bedrooms, her job would be infinitely more difficult, and she might not have a business at all. I want to make sure that people like her are seen and heard. I am a wedding photographer in the area. None of my couples want to stay in an Airbnb. Weddings that I have captured in hotels feel cold and sad and not as comfortable and fun. The experience that wedding parties, wedding guests, and wedding clients have is better in an Airbnb because it feels more communal. The point I am making is that people like Airbnbs. They want to stay in Airbnbs. I would hate it if housing went from allowing 8 people. It needs to be 4 or 6 people. I would like to let more people stay in these Airbnbs so they can have fun. I want them to come here.

Robin Seely – I have a small Airbnb. It is just over 300 square feet. It does not have a full kitchen. It is not going to help solve the housing crisis. I think that if it is one of the things that we are trying to do here, you would have to individually look at each Airbnb to discover whether a studio like mine is going to be any great contribution to the city's housing stock. Even though it is a tiny place, it is helping me tremendously right now because I am now retired. I bought it in 2019. Since then, my tax bill has doubled. I was paying under $5,000 a year. I am now paying almost $10,000 a year. It would be infinitely harder for me if I did not have the income from that Airbnb to contribute to that cost. I know there are others who are in the same boat. On the STR listserv, there are about 130 people on that listserv. It is not just people who own Airbnbs. It is also people who own businesses in the city because they have a vested interest in keeping Airbnbs open. That is what is also bringing people to their restaurants and their schools.

Janice Cavanaugh – I have been doing Airbnb in short-term rentals for a long time. I have more questions than comments. Mine also does not have a kitchen. It is my understanding that the Airbnb and VRBO do not itemize the taxes to the city. They do not list every property owner's taxes. They just send one check. If it is 181 days, who is tracking that? Nobody. It is not even worth putting that in there. There is no way to police it. Somebody asked about condos. The bulk of the condo associations do not allow short-term rentals. I am sure there are people who get by with it. Overall, you must have a 60- or 90-day minimum lease. That must be approved by the condo associations. How does the city police or determine? There are companies that manage multiple properties for individual homeowners. They put them on Airbnb and VRBO. Those people live somewhere else. Is there any way that the city can determine how that is controlled?

Mr. Brodhead – Each individual property owner is responsible for getting a permit. It is not up to the state or Charlottesville to get the permit. They must establish their residency in Virginia, provide us with a photo ID and sign the document that say, 'I swear that I abide by all the regulations and will comply with all your regulations.'

Planning Commission Feedback

Commissioner Harness – I want to open the discussion about allowing renters to have homestays. It seems like the proposal to not make any changes by staff is largely predicated on that would allow renters to have homestays. I don't see why that is a bad thing. In the current situation, you are allowing homeowners to increase their own income like we have heard several times here. I don't know why we would allow that privilege to only be for somebody that owns their property and not somebody that rents their property. This would need to be part of an agreement between the tenant and the person who leases them their homes. That is not something that we are here to discuss. I don't see a reason why the city should prevent renters from being able to have their own home state in their unit. A way to get around some of these comments about the exact number of max people available for a homestay unit should be. I am sure that there are fire marshal regulations about occupancy of residential units. Leave it up to the fire marshal. Whatever changes are made, do not make them more onerous than what we are doing for other home occupations in the city and residential areas. The comment from the Commissioner of Revenue about decoupling enforcement from getting a permit or getting a fee is a smart idea.

Commissioner Mitchell – I don't have anything. This is headed in the right direction. I would disagree with Commissioner Harness. I cannot wrap an argument around it. It does not feel good. The idea of tenants being renters being able to participate in the homestay program does not feel good. I need to give that a little more thought to make sure that is where I am going to land.

Commissioner Carp – I will be echoing things I like. It sounds like the ordinance that we have now, the goals make sense. The rules mostly make sense. It would be a mistake to drop the max number of nights to 90 days. That sounds more onerous and for no public benefit. I don't think it would be smart to remove the residency requirements like has been suggested. Having the goal of having owner occupied homes that do Airbnb, if the owner lives there, that is working fine. Let's keep doing it. I don't see any public interest in preventing tenants from renting out part of their home because it would require the landlord to approve it. If they don't like it, they can say no. It would be a marginal change. Most would say 'you can't do it.' I don't see why I would tell a landlord they can't have their tenant rent part of the property. I possibly like the proposed change to require the affidavit. We already mentioned there already is one. Requiring the owner to say I live here. Some of them don't. People don't like lying. Signing a document saying I will follow rules. I would not mind that happening. I would not want to use the fear of tenants renting out part of the unit to prevent us from doing things that are useful. I am mostly happy with the proposal of not making changes. The main problem is enforcement. That is beyond the scope of what we can do here. The regulations sound mostly in good shape to me. I would not want to make this harder for anybody to provide the service to the community.

Commissioner Roettger – I would echo the same comments. I think the tenants think maybe that it is good that nothing is happening now. That could be a future study. It seems like there is a lot of subleasing. That happens in a way. A lot more of these are informal. There is maybe something around that perspective to think about. I am glad I learned a lot more about this through this process. I am glad we heard from people who are providing these. What we have now seems to be working as well as it can. Maybe with time with the new software, there will be new opportunities to make some smaller changes if needed. I am good with what we have.

Commissioner Yoder – I am on the same page. The process seems to be going in the right direction. I don't want to unreasonably curtail short-term rentals. On the issue of tenants being able to do short-term rentals, I don't think it is good if we are in a place where we cannot update the ordinance because we don't want to comply with state law. I get quickly putting in place a way to manage this. How do we ensure that the owner has given permission to the tenant? That is an administrative headache. I hope that we can figure that out in the future so that we are not stuck with a frozen code that we cannot update because we don't want to allow tenants to rent out a short-term rental.

Commissioner Joy – I want to thank the public for coming out and speaking. My comments here are not framed as a representation of the University or anything along those lines. One of the things that I was going throw out are just some questions and maybe some recommendations of possible ideas. Hearing from the community, it sounds like it is the people who are not conforming with the current code that seems to be causing the issue. It sounds like the enforcement is too onerous for the government to do when it is hard and tricky legally. I was curious if we could transfer that onus to Airbnb, VRBO, and the others, so that they can only collect their booking fees if they are doing business with a legally certified property.

Mr. Divers – No.

Commissioner Joy – Maybe this is a state level thing we could work with. If they are sitting there saying that they are having accommodation, that accommodation is not in conformance with local law, how they can make money on that. I understand that this is a bigger question. It may not be Charlottesville. Maybe there are a bunch of communities that can come together. It is crazy that they can profit on not being genuine with what they are offering as being legal. I feel there are people who are following the rules and making limitations. It is a big software company that has no presence in this town and seems to be benefitting most from these issues. It seems like there are several college towns across the country that have heightened or enhanced their STR restrictions, or they have fully prohibited it. They are dealing with the same housing crisis that we are dealing with and the same cost of living crisis. I was curious if the city has had any chance to be in conversation. Some of them adopted them several years ago. It seems like some of the anecdotal stories are quite beneficial. We were a thought leader when we adopted this. There are some other communities that have chosen a path. I would be curious if it has helped with their housing issues and cost of living. I wonder if there is a way with these private equity firms snatching up properties all over town, empty houses that are being used as Airbnbs. Could we consider a 2-unit minimum to apply for a homestay? To get the ADU, you must go through NDS, must be permitted, must be inspected, must be up to code, must be safe, must meet all the requirements. Once you have 2 units on the property, it implies that you live in one of them. It does not take a suitable home for a family, and nobody lives in it. It is illegally being used as a short-term rental. It seems that everyone who came up today is doing that where they have a 2-unit property. I wonder if that is a simple way to leverage something that could protect the people who are going to follow the rules.

Chairman Schwarz – I tend to agree. The idea of holding off on doing updates just because of the not wanting tenants to participate seems odd to me. I know it is already happening. I have friends who rent who also do Airbnbs. I guess it is a matter of time until you guys find out. It does help them pay their rent. It is something that is useful to them. It makes Charlottesville affordable for them to do that. It seems like we don't want to overstep in the way of people being able to rent out their houses for graduation weekend. That is one time a year. It does not seem like it is a bad thing. I don't want to make this so onerous that people can't just do one weekend out of the year that they rent out their houses and make some extra money. The enforcement is frustrating. We still need to work on that. With the fees, if we end up making a change, it is important if we find a way to cover our cost. The $500 for 3 years would effectively prevent tenants from using this process. If we want to go ahead and update, I feel that someone who rents may not want to spend $500 to have a 3-year license for something that they may only have a year if leasing year-to-year. It is a lot of money if you are only going to rent for a few weekends. We are a wedding community. I imagine that there are several business owners Airbnb operators that are upset about the 6 adult cap and that they cannot lease out their larger house for more than 6 individuals.

Ms. Creasy – Concerns have been raised for people in larger places. As the number of people increases, the external impacts increase. Parking is one of those impacts. Noise concerns, as you get a lot of people together, is another one.

Mr. Brodhead – Parking is a concern, especially in the houses that don't have off-street parking. It adds more to the neighborhood. That is the major concern that we hear. These are groups getting together. They are excited. They are going to stay up late every weekend. It is like being next to a party house often. You are going to have large groups of people. There are operators that have good policies, and they hold their renters to those policies such as noise policies. That works well with well managed properties. There are other operators that don't. That is where we hear from the people who are not operating it responsibly.

Chairman Schwarz - Whatever we do, we are probably not going to be fully satisfied. The thing with the tenants is already happening. I am not I see the problem with that. If updating the code has other implications.

Commissioner Carp – I want to echo something that Commissioner Harness said earlier about how to regulate ovens. You mentioned the fire code. If there is a safety concern about occupancy, put it in the fire code. If they are concerned about parking, that belongs in the current parking. Concerns about noise belongs in the noise ordinance. These are all concerns that I share. They are not concerns about STRs. They are concerns with people. They have their place being regulated in other areas in the STR regulations.

Chairman Schwarz – It is true.

Ms. Creasy – When these consistent concerns happen, we want the responsible party to be able to get some relief. The fire marshal has been at the table with us throughout this proposal. That lens has been part of contributing to the discussion. When there is a situation where things are not going well at an Airbnb, people are encouraged to call the police for activities that are not occurring properly. Ultimately, the owner ends up in a responsible spot. Most people do the right thing. Then there are the things that make it difficult for all the people who are doing the right thing

Commissioner Harness – There are some of these other avenues to go down. At the end of the day, it comes down to the owner. Instead of having individual occupancy limits and noise limits and parking permits as part of the permit, there is a line that references those other things. It says if your occupants are not following those limits, we can pull your permit as a way around that instead of having new occupancy limits.

Adjournment

The work session was adjourned at 7:41 PM.

PLANNING COMMISSION REGULAR MEETING
April 14, 2026 – 5:30 P.M.
Hybrid Meeting

I. COMMISSION PRE-MEETING (Agenda discussion(s))

Beginning: 5:00 PM
***Location*:** NDS Conference Room
Members Present: Chairman Schwarz, Commissioner Joy, Commissioner Harness, Commissioner Mitchell, Commissioner Harp, Commissioner Solla-Yates, Commissioner Roettger, Commissioner Toder
Staff Present: Patrick Cory, Dannan O'Connell, Remy Trail, Matt Alfele, Kellie Brown

II. COMMISSION REGULAR MEETING – Meeting called to order by Chairman Schwarz at 5:30 PM.

Beginning: 5:30 PM
Location: City Hall Chambers

A. COMMISSIONERS' REPORTS

Commissioner Carp – I have been going to the CDBG meetings for the last month or so. They were interesting. We will soon talk about it.

Commissioner Mitchell – There were three meetings that I participated in since we last met. Two of those meetings with LUPEC. The first meeting was in February. Both conversations were led by VDOT. The first thing we talked about was general region coordination between the University, Rivanna, Albemarle County, the city, and the planning district when it comes to any VDOT projects that are happening in the area. I copied you guys on the presentation and the outline of the conversation. The first thing we talked about at the March meeting was the county's affordable housing fund. I will not go into details. You guys have copies of that in your packets. The second thing we talked about in the February meeting was an update from VDOT on the Fontaine project. A lot of things are happening there. In the March meeting, we talked about the affordable housing fund. Ms. Brown gave us a preview of what she is going to be presenting later tonight. The most interesting meeting was the BZA (Board of Zoning Appeals) meeting that we had in the middle of March. This was related to the developer's ability to pay into the housing fund as opposed to putting affordable housing on site if a development project is deemed to be student housing. One of the criteria for it to be deemed student housing is that it must be within 0.5 miles of North and Central Grounds. In this case, the negating factor was that little pocket park. The Clark Statue was in this pocket park. It is across from The Graduate. The real question was whether this pocket park was a part of Central Grounds. If it is a part of Central Grounds, the project in question is located at 211 5th Street Southwest. That project was before the BAR. The BAR rejected the application. They are appealing to Council. The debate was whether the pocket park was a part of Central Grounds. We ruled in favor of the Zoning Administrator's opinion. He felt that the pocket park was a part of Central Grounds. The ruling was a 2-to-2 ruling. When it is a tie, the tie goes to the Zoning Administrator. The applicant can appeal and bring it back. This Thursday, they are going to come back to us. We will hopefully have 5 people there to vote and get a majority vote. It was a 2-to-2 vote suggesting that we thought that the pocket part was a part of Central Grounds. This was not a merit review. This was a technical review.

Commissioner Solla-Yates – I would like to offer an update on the legislative subcommittee. It has been a busy year. We asked for many things. Many things have been acted on in Richmond. We asked for mobile home resident purchase reform. That turned into HB375. That has just been approved by the Governor. We asked for accessory dwelling units permitted statewide. That turned into SB531. That also has been approved by the Governor. We asked split rate taxation permission and were joined by 3 other localities. That turned into HB 282 and has been signed by the Governor. We asked for greater tree canopies zoning powers. That turned into HB549. That has been approved by the Governor. We asked for a locality first right of refusal for expiring below market rate housing. That turned into HB4 and was approved by the Governor. We asked for legal standing reform for zoning litigation. That turned into HB 447 and has been continued to next year. We asked for support for nonprofit affordable housing development. That turned into several bills, especially HB1279. The Governor gave a recommendation for 13 changes but is likely to pass.

Commissioner Harness – I went to the city Neighborhood Leaders meeting with the City Manager's Office on March 18th. There were several smaller discussions that happened. There were 3 main discussions that the public was having. This was the first meeting since the large ice storm that we had. There were questions from the public to the City Manager's Office about whether they were going to update the ordinance to better clear sidewalks or something along those lines, just getting feedback from the City Manager on how to improve that process for future storms. There were questions regarding the status of a project at 1011 East Jefferson Street that received a Special Use Permit years ago that has not yet started construction. Many neighbors in that area of the city were wondering what the status was and/or if there was a way to adjust the number of affordable housings that project was providing. The 3rd item of discussion was the Police Department was working to get the word out related to the emergency response system that I think is an app on your phone that you can get better information quicker through that. They are doing some neighborhood community policing related events.

Commissioner Roettger – My 2 reports have to do with the Tree Commission. You all received the State of the Forest Report from the chair. They are going to present it to City Council on April 20th at 6:30. It is an annual thing that they do. It has recommendations and things that pertain to the Planning Commission. They are interested in site plan checklists or brochures or things having to do with tree preservation from the beginning, having a tree preservation plan with an arborist. Some of these things are already in place but stronger enforcement of tree removal. There was some discussion on stormwater fees and incentives for tree preservations. The rest of it was how many trees were planted. That is a major piece of work for that body that did a lot of work on that. I was with Parks & Rec yesterday. We had a report from a UVA class looking at Riverside Park, mainly parking and accessibility. I have previously heard about trails and where the pieces are being watched to connect where we need to connect our trails. There is some talk around the rules around the garden plots that are being amended. They are already in place for this year. We are now getting feedback about whether there will be changes.

Commissioner Yoder – I have a report from the MPO Tech meeting that happened last week. We reviewed several things on the agenda. I will mention that as part of the MPO's UPWP stands for Unified Planning Work Program. It is their annual budget and work program. They will be studying the possibility of establishing a regional bike-pedestrian counter program that would live with the MPO. That would be beneficial to both the city and the county. That is something to watch. I hope that they move forward next year and set up an accounts program. The main item that was discussed was our region's smart scale applications which are due on August 1st. This is a state grant program for transportation projects that occurs every other year. My opinion in what I have seen so far is that it is a program that is not perfectly aligned with our goals and principles as a city in terms of our planning for what we want our future land use and transportation network to look like. Many people involved in this are trying to make the most out of it and get funds for projects that would allow safer walking, biking, and better transit access. The county and city are allowed to submit applications. The MPO itself can also submit smart scale applications. The city's main application this year is going to be the Ridge, McIntire, West Main intersection project, which is something that kicked off a while ago with some public outreach. In this meeting, we basically had to make recommendations to the MPO Policy Board, which is made up of elected officials from the city and county and MPO staff, whether we should advance the city, county, and MPO projects. It was a unanimous vote on the city's projects and the county's projects. There were split votes on the MPO's projects, which is an unusual circumstance. The 4 MPO projects that are currently in consideration are the I-64/5th Street Interchange improvements, which is proposed to be a divergent diamond intersection with paths that go to the bridge but don't cross the bridge, the US 29/US 250 eastbound ramp extension at Barracks Road. It would extend the on/off ramp. It would add a path on Barracks Road itself. The US 29/250 southbound ramp extension at Old Ivy Road and another on-ramp extension at Old Ivy Road on the bypass. These are the 2 projects that city staff wanted to remove from recommending to the Policy Board. These are 2 projects that have no multimodal elements. They are pure highway capacity projects. They were not identified in any of VDOT's statewide analysis of safety needs or congestion need. It did come out of a 2024 pipeline study that looked at the entire area. The appendix had a lot of different possible things you could do. These 2 ramp extensions were there. City staff moved to exclude these 2 projects. The MPO and county staff disagreed. One of the extensions is moving forward to the Policy Board. The off-ramp extension is being held because the county wants to investigate other options because they are interested in improvements to that movement. Maybe there is something else that could be done that is not just a highway expansion. Those projects move on. City Council is going to weigh in on this. They need not approve but recommend these applications as well.

B. UNIVERSITY REPORT

Commissioner Joy – I have 2 exciting bits of information. The first is the opening of The Center for Politics. That is a contextual addition to the Montesano House. It is about 5,000 square feet with flexible convening space that can host events for 200 to 400 people. They had the ribbon cutting last Friday. One thing of note is that to access that facility part of the project was the creation of a new dedicated access road from Leonard Sandridge. You access it from the north. Historically, you would go on Old Ivy Road through that trestle. That has now been vacated. You can no longer access that facility. With the higher density of event attendees, that will not bring added congestion to Old Ivy Road. The Virginia Guest House, Hotel, and Conference Center is officially open. It opened last week. That is 223,000 gross square feet, 214 rooms. There are over 25,000 net assignable square feet of IACC certified conference space, which is the International Association of Conference Centers. We are the only facility in central Virginia that has that certification. The ballroom, its largest space, can hold just under 1,000 guests. There are 3 public destinations for dining if you are interested. There is a counter café, which is a grab-and-go place. There is The Poplar, which is the main restaurant that serves breakfast, lunch, and dinner. There is The Perch, which is a rooftop amenity with nice views. That soft opening was last week. The ribbon cutting will be on April 29th.

C. CHAIR'S REPORT

Chairman Schwarz – Last month at the BAR meeting, it was a simple meeting. The only thing of interest was some infill development in the Oakhurst Gildersleeve Neighborhood, which is a tiny piece of housing next to South Lawn. It was a developer trying to squeeze in the maximum number of units on some parcels down there. We gave him some feedback. It was a preliminary discussion. They will be back for more in the future. We discussed getting The Mall ready for its 50th Anniversary and the materiality for The Mall crossings, which are now under construction.

D. DEPARTMENT OF NDS

Matt Alfele, Development Manager – We will not be having a work session on April 28th. That was tentatively scheduled for a small area plan discussion. That is not yet ready. You will not have that work session. At the end of last month, the new Development Manual and development review changes went into effect. These are related to last year's 2025 Development Code amendments and process updates. Those went into effect on the 23rd of March. I wanted to give an update on the 2026 code cleanup effort. We are moving forward with this year's cycle. Staff have begun preparing the items that will be included. The next major step will be the subcommittee kickoff meeting, which will take place in May. The date has not yet been determined. We will be sending an email to the subcommittee members. We are looking at a few dates. That will be the kickoff. At that meeting, we will be scoping out the 2026 cycle and moving forward from there.

Chairman Schwarz – A question about the rollout of the zoning updates, has there been advertising? I have not seen anything.

Mr. Alfele – I will be going to CADRE in May to talk about the updates. Our website has been updated with all the new material, new applications, and formats. We have not had any formal outreach. We have been talking about it for the last 6 months at our pre-application meetings with the development community. We have been preparing the development community for this.

Commissioner Roettger – For the next year, are we looking tier 3? What is the subcommittee? Who is on it? How deep are we getting into changes?

Mr. Alfele – The subcommittee is Chairman Schwarz and Commissioner Harness. One of the key things that is going to happen at the kickoff meeting is rebranding. It has always been intended to be a cleanup of the code and having to catch larger issues to put in tier 3. One of the things we are going to be concentrating on this year is refocusing that and that everyone understands that this yearly process is about cleaning up the code and not going into policy issues. We deal with the code. We run into these policy issues. We capture them so they can be placed on the larger work plan for the department so long range planning can address those. That is going to be one of the scopes. I am hoping to go away from the tiers and just call it code cleanup or something that better reflects what this project is.

Commissioner Roettger – People have been waiting for the next level. That is probably code cleanup versus code amendments or some term for the changes that will take longer.

Mr. Alfele – We have tried to be clear each time we meet with the public. We are collecting these tier 3 amendments. Tier 3 amendments need a huge public engagement. They must be something on the work plan that involves our long-range planning team. We are working on doing a better job of communicating that.

Chairman Schwarz – With the zoning updates that were issued, as a planning commissioner, I did not know when that happened. Could you put it on the homepage of the city's website? I know you send out those press releases. Make it obvious that people need to download a new zoning PDF.

Mr. Alfele – We can work with Communications. We can see if we can get something out.

Kellie Brown, NDS Director – I wanted to some additional updates. On the topic of the environmental policy and regulatory review, we will be coming to you next month with a comprehensive update. I did want to share that we are moving forward with the release of a request for proposals to look specifically at our stormwater regulations. In October 2025, City Council appropriated $1.5 million for both the environmental review project and the mobility plan. We anticipate allocating a portion of that for this environmental review for consultant services. We will be looking to use that to update the city's stormwater management regulations and develop technical reports and toolkits. The review team will include staff from multiple city departments to provide a cross-functional review and consider alignment with the overall Comprehensive Plan goals. I also wanted to offer a staff update. Ose Akinlotan, our long-range planning manager, has been promoted. She is now the Assistant Director of Communications and Public Engagement within the City Manager's Office providing strategic direction and much needed support, not just to NDS, but all departments to support the city's goals and the Council's priorities for enhanced meaningful community engagement in everything we do. We are happy to see her in this role. Last night, we had a planning popup at Carver Recreation Center. The focus of it was to collect community feedback on conceptual options for a repaving plan for Rose Hill restriping plans that will address safety and connectivity needs, slow speed limits. It was a great turnout. I think 45 people came out including some junior planners. There also was an opportunity to provide feedback online sat Connect Cville. In terms of upcoming Council work sessions, we will be presenting to Council on our recommendations and findings for the Affordable Dwelling Unit Manual, student housing regulations April 20th. Our short-term rental study will be providing an update to Council consistent with what we shared with you May 18th.

E. MATTERS TO BE PRESENTED BY THE PUBLIC NOT ON THE FORMAL AGENDA
No Public Comments

F. CONSENT AGENDA

1. **Minutes – November 12, 2025 – Regular Meeting**
2. **Minutes – November 25, 2025 – Work Session**
3. **Minutes – December 9, 2025 – Regular Meeting**

Commissioner Solla-Yates – Motion to Approve Consent Agenda – Second by Commissioner Yoder – Motion passes 7-0.

III. PLANNING COMMISSION PUBLIC HEARING ITEMS
Beginning: 6:00 PM
Format: (i) Staff Report (ii) Public Hearing (iii) Commission Discussion & Motion

1. **Community Development Block Grant ("CDBG") and HOME Investment Partnerships Program ("HOME") Funding: Draft Program Year 2026-27 Annual Action Plan.**

i. Staff Repot
Anthony Warn, Grants Analyst – Our city participates in The Community Development Block Grants and the HOME Investment Partnerships Programs offered by the United States Department of Housing & Urban Development. As part of that participation, we are required to develop an annual action plan that outlines what we are going to do to try to meet several important goals, meet HUD national objectives, and to show that we deserve continued participation in the program. As part of that, we come before the Planning Commission to get some feedback, and hopefully at the end you recommend that we can take this to City Council for 2 public hearings. There is also another public hearing scheduled before the commissioners of the Thomas Jefferson Planning District Commission. The TJPDC helps coordinate the HOME program. They are both entitlement programs. With CDBG, we engage with HUD on our own. We qualify on our own. Since HUD recognizes that affordable housing specifically is a more challenging regional approach, they try to encourage people to go into partnerships with the outlying areas. For several years, we have participated in what is called the Thomas Jefferson HOME Consortium. It is a 6-member partnership between the city of Charlottesville and the counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson. We come together at different times in a regional housing leaders meeting and try to support efforts among all the partners and try to lend support where we can to each member. Most importantly, we share part of the money that HUD allocates to that program. I can go into that funding breakdown later.

Next Slide – Summary of Funding Requests Received
As part of the process every year, The Department of Housing and Urban Development says that 'we are going to put this much money into this program. It was originally appropriated by Congress. It is then passed through

on a formula basis. Each year, we open an application window request for proposals. This year, it ran from January 7th to February 7th. We tried to advertise it widely. We tried to let all the different nonprofit groups in the area know what is happening. I am proud to say that we have a first-time applicant that was recommended for funding this year. We are expanding the pool of people that know about the program and that can hopefully do good work in our community. We open the window and provide pre-application workshops for people. I want to thank members of the Planning Commission for giving us some important feedback, which is to emphasize the restriction placed on a certain category of activities in the Community Development Block Grant Program, the public service activities. By doing that, the applicant, who is a first-time applicant to the program and who has been recommended for funding under both programs, looked at what they are trying to do and split their application and applied under both programs and made it through. That was good feedback. The difficult part of this, as already mentioned, is that if we go into this process, we don't have any idea how much money we are going to get if any. We start off by basing our initial review on the awards and the allocations that we received in the prior year. Provided in the packet is a summary of the applications that we received between the 2 programs and tried to break them down into the different categories that HUD has set up in terms of what kind of work you are allowed to do with those. You see those there.

Next Slide – Preliminary Gap Analysis
As soon as we get those, I break them down. I look at the requirements that HUD set up. I try to break them down into different categories. This analysis is based on the current year applications that we received matched against our best estimate of what we will get from HUD from the prior year. When we started reviewing the applications, we had big gaps in each of the categories. The public service activities, the $153,182.20, says that the nonprofit partners in the community asked for that much more money than we thought we would have available to us.

Next Slide – Preliminary Funding Recs
We have been working as diligently as we can over the last couple of years to stay in HUD's good graces. Based on congressional allocations, each of the programs is going to see increases in funding. The CDBG will increase by 4.37 percent, an increase from $445,000 to $464,000. It is not huge. For the nonprofit groups that are going to receive that money, that is great. Under HOME, it is a larger anticipated increase of 7.79 percent, which sounds great. What that does is that it offsets the 7.5 percent reduction that we saw last year. We are roughly in line with the amount of funding that we had 2 years ago. We are getting the funding. We are happy about that. My job is to prepare the applications, do an internal review, and hand them over to the volunteer members of the task force. This year we welcomed a new representative from the Planning Commission, Commissioner Carp. He might be able to speak about that. That is a point at which I am glad that I am not involved in those conversations. My job is to be an impartial liaison between the members of the review team and the applicants. If they read the applications and they have questions, things that they need to know about, they come to me. They ask those questions. I go back to the applicants. I report word for word what they send. We did that a couple times this year. The information we got was helpful to the members of the review team. What you are seeing here is not actually the plan. The plan is a large document. It will be made available on the Thomas Jefferson Planning District Commission webpage tomorrow. The draft plan is available for a 30-day period of public comment. Any member of the public can look at that plan. We have links on the city CDBG and HOME webpage. As soon as it is live, we are going to do one of the news alerts through the Communications Department. It is up there. They can read it. They can show up at any of the public hearings after this one and make any comments that they want. We receive all the comments. We incorporate them into the plan. There is a special section of the final plan. If all goes well, we get local approvals from City Council and TJPDC. We send it to HUD. A lot of people ask if HUD approves the plan. It is interesting. Those of you who know federal regulations. They don't approve a plan. They just inform you that it meets statutory guidelines. This year we met the statutory guidelines, which enabled us to receive this amount of funds. Hopefully with your help and input and that of the community, we will repeat that again.

A couple of things about the recommendations. You will see that there are preliminary funding recommendations right here, which is what the review team recommended based on what we knew at the time. To get these things done, they must make the recommendations. What you don't see on the spreadsheet is that it is calculated out to a precise decimal point. When the official allocation award letter arrives from HUD, I calculate the percentage to the new numbers. What that does is it presents a dilemma for the members of the review team if we have an overage. It presents 2 options. One option is that you take the overage and split it evenly among all the applications recommended for funding. The second option is you do an equal percentage or some other complicated math to figure out that some applications might get more/ Since we did not have the allocation letter at the time and the typical procedure for all CDBG funded localities is to take any overage or decrease and apply it evenly among all the applications. What that means is that you will see that some of applicants are receiving are recommended to receive more than they had in their initial application and others are not. An example of that would be The Ark of the Piedmont. They are looking to make some infrastructure improvements at their group home for adult people with intellectual disabilities. They are getting more than they asked for. That is because the final allocation from HUD came in higher. With that 4.37 percent increase, that took them over. With the affordable housing applications, each one of those saw that same 4.37 percent application. It takes them nowhere near what they asked for in their applications. The amount that they asked for was so large. I know that there are going to be some questions that will come up at some point about why some people got more than what they asked for. It is only because it is a good problem to have. The allocation letter came in with higher numbers. Based on the feedback we get here tonight, and any feedback received from the public, we take these recommendations before City Council. They approve. My job is to create funding agreements and scope of work agreements and hopefully bring good things into our community.

Next Slide – FY26 Timeline
This is just a brief timeline for this. We start in the prior year by publishing a consolidated notice of funding availability that tells us how much we anticipate. On January 5th, we started the application window. I started meeting with prospective applicants. All we want to do is make sure that people know what they are applying for. In the past, we have gotten applications that were suitable for the HOME Program. Under the CDBG Program, they know if what they are trying to ask for will meet HUD requirements. The last thing we want is for people to try to do good things in the community to waste their time and energy applying for something that the requirements for the program will not allow us to fund in the first place. We have had those in the past. The CDBG-HOME Task Force met multiple times. They finalized their funding recommendations. Shortly thereafter, we received the HUD notice on April 6th. We now have our public hearing/public comment period. The electronic version is going to be available on the Thomas Jefferson Planning District Commission website. That has always been there. We will have links on our webpage. If any members of the public want a written copy of the plan, they can contact any of the staff contacts or myself. We can get them a printed copy. All of this is trying to gear up to getting money into nonprofit hands so they can start on July 1st with their good work.

Next Slide – FY26 Anticipated Outcomes
This is a summary of what we are trying to do and give an estimate of how many people or organizations will be assisted. You will see these odd codes 18C-microenterprise assistance. That is basically a HUD category that designates that kind of work as an eligible activity. It outlines all the requirements that we must follow. We have adult literacy that we have done before, accessibility and infrastructure improvements for the Arc of the Piedmont group home, which we funded in the past for a different purpose. We have funding for eviction diversion counseling this time. That was a big priority for the members of the review team. We are funding income eligible homeowner rehabilitations and energy efficiency upgrades through AHIP and LEAP. The new applicant is a group called Building Goodness Foundation. They have done interesting work internationally and locally. We are now trying to use their participation in this program to create what could be an impactful partnership among some of the existing organizations that we have funded. They can do a certain kind of rehabilitation for homeowners that LEAP and AHIP don't do and provide a more comprehensive package. Under the CDBG side, Building Goodness Foundation wants to take their expertise working with nonprofits

that serve the populations that we are trying to help and use that to provide some kind of infrastructure improvements for those nonprofits. It is complicated because a lot of nonprofits operate in buildings that they don't own, which makes it more complicated. We are excited to work with them. They have done a lot of work with childcare centers, rebuilding and rehabilitating their patios, providing more shade for the kids, and providing safer play spaces. It was a long and difficult deliberation. I have a strong slate of recommendations.

Commissioner Mitchell – With the redevelopment of housing stock, it has a lot of good momentum. One of the main reasons it is going so well is because we engaged the residents. It looks like we zeroed out the request for residence involved redevelopment. What was the thinking?

Mr. Warn – Yes, that is true. That was a difficult deliberation. Part of that is the fact that with the advent of the new funding stream that the city is offering for fundamental organizations. We tried to make sure that the other funding streams are not duplicative work. Some of the scope of work that PHAR does under the program that they have been funded for in the past falls under the scope of work for their designation as a fundamental organization. If you look at the City Manager's recommended budget for the upcoming year, PHAR is slated for a significant increase in funds. Once we became aware of that and the fact that some of the work that they were funded under, CDBG falls under the scope of work of this program. The members moved away from that and said, 'let's try to get money into these other programs.' It is always a difficult conversation. Every year that I have done this, the review team members walk away saying, "I just wish we had enough money to give everybody.' In that case, it was designation of PHAR as fundamental and the significant increase in money that they are going to see under the City Manager budget. There was unanimous consent.

Commissioner Mitchell – The second question relates to the IRC. We have put a lot of energy in helping the Afghan refugees who moved to Charlottesville get integrated into our community. It looks like we are not looking to help fund that, at least not in this document. What was the thinking?

Mr. Warn – That brings up a point that I might have glossed over. With that kind of work, if you look at that, it falls under the Public Service Activities category. That is a category of funds for which we get the largest number of applications and the greatest financial request. It is also the most severely constrained by HUD. The locality is limited to no more than 15 percent of their annual allocation to dedicate to those programs. It is the smallest pot of money that we have available to award funds. What that came down to, among several other considerations, is that they would have loved to fund the IRC. We have funded them in the past. We would have loved to do it again. The scope of work that they are proposing to do is similar in a lot of ways to work that is being done by other groups, other organizations. Including the Literacy Volunteers of Charlottesville and Albemarle, who work with some of the same population, and the idea that with not a lot of money to allocate. I think we were limited to $66,000. The IRC is connected to a larger national and international organization. Literacy Volunteers is a local organization. One of the considerations was trying to use what little money we have to support a local organization. They cannot rely on a larger national organization. I am not saying that IRC gets a lot of support. That was not something that any of us knew from the national organization. When push came to shove, the idea was to try to keep that money as local as possible.

Commissioner Harness – With the programmatic funding and set asides, can you inform us what that means?

Mr. Warn – Those are just a broad category of activities. Planning and admin are a set aside of funds to pay for the coordination of the program salaries, in some part my salary. The city covers part of my salary. Public services cap is programmatic. That is just that small category of funds within the larger allocation that is limited to IRC and LDCA activities. City Council has traditionally established some priorities for public facilities improvements and economic development. When I started, the sheets I inherited had these numbers on there. I believe that at some point they were a percentage of the total allocation. I was never able to find anything like that. I was recommended to carry forward those numbers. Those come out of the CDBG allocation. That last category, the HOME program local match is a requirement that has for every dollar that they give you for affordable housing activities under the HOME program, localities are required to spend 25 cents. For a long time, the city appropriated local funds into a special category to support these activities. My colleague at the Thomas Jefferson District Commission knows more about HOME funding and activities than anybody in the 6-member consortium. Her name is Laurie Jean Talun. What she found was that we don't have to appropriate local funds specifically for these activities. HUD already allows us to count all the affordable housing activities that a locality engages in anyway. As you know City Council has been pledging $10 million or more a year. What that means is that each year we must record some affordable housing activity, that is funded through local dollars with HUD. That covers the match. We do that on behalf of the entire consortium. Some of the other members who have much smaller budgets to work with as part of being the lead agency in the consortium, we cover that for them. We do that through the normal course of activities of the Charlottesville Affordable Housing Fund. What my colleague found out is that we report those to HUD, $10 million of activity. They then allow us to bank those up over years. We have a credit with HUD on the affordable housing match side of a couple million dollars that could carry us for quite some time. Since the Affordable Housing Fund is so active, every year we just find the Council resolution that supported that activity, we send that to HUD along with the plan. It covers that credit. Those aren't additional funds. Those are just ways to break it down. On a memo that was generated years ago, it said programmatic funds.

Commissioner Harness – There are earmarked funds.

Mr. Warn – It does not add to the total amount we have available. One of the things that you see in the packet is that we typically recommend priorities to Council. I have a draft in the packet of what that priorities memo would look like. We are trying to foster a conversation so that we are not just passing the same recommendations. If the community wants to recommend changes to Council, once they adopt them. I also left that number blank. If those are still important priorities, we should give some thought as to how we come up with a number for it, nor just carry the same number for it. Is it a percentage breakdown? That is to be dealt with in the future.

Commissioner Harness – With the different colors here, the amount split between the different colors not necessarily within the colors, is that decided by the Task Force? Is that programmatic?

Mr. Warn – That is based on the Task Force. I give them a blank version of the spreadsheet with the programmatic breakdowns. I lock it all down. They can plug in the numbers anywhere. There are some hidden fields off to the side that add up each category. If they put $24,000 for CIC, that number would have automatically gone up. It is just an auto-calculation of their recommendations.

Commissioner Harness – My last question is about the unallocated line of $55,000.

Mr. Warn – A tricky way to look at the HOME program. We get more funds under the HOME program. For CDBG, we anticipate getting $464,924. Under the HOME investment partnerships program, we anticipate getting $740,545. People look at that number and think that we have a lot of money to spend. TJPDC coordinates that program on behalf of the six members. There is 10 percent set aside for their planning and admin costs. Set aside from that, it goes to a larger award that rotates among the six members each year. It is called CHOTA. Whatever remains is divided equally among the 6 members of the consortium. Our local share is what those are always referred to as 17.5 percent of the total. That $92,568.21 is going to be what we anticipate our local share to be. We only received 2 applications under the HOME program this year. One was from Building Goodness Foundation, and the other one was from CRHA. CRHA recently acquired property. It needs significant rehabilitation work. The request was for $150,000 under the HOME program. We always ask them what will happen if we cannot fund you at 100 percent of what you are asking for. In that, they said that they would have to go back to square one and try to do a lot of local fundraising for whatever the gap funding needed to meet that $150,000. They would have to start from scratch. Since HUD has timeline requirements, they recommended Building Goodness Foundation to be funded 100 percent of their request. That went up a little bit because of the 7.79 percent increase. Whatever was left over is that unallocated fund. The Task Force would have liked to have awarded that to CRHA in this round. We have seen the property. We know it needs work. It could potentially offer people below 50 percent of AMI scale (8 individuals) some entry housing. It is an admirable goal. It is a great goal. If they must then raise $100,000, once we award that, it goes to HUD, and they accept it. That starts the clock. The idea was we put that as unallocated. We can go back to Council later with an application. CRHA can come back and say ‘we know that there is this amount of money on the table. We have done some work on our end. We think that we have the funding sack for the full $150,000.’ That money could be awarded to them. Depending on how Council approves it, that money could go to any group or it could be held in reserve for CRHA if they come up with a plan that staff deems to be viable. There are several projects it could be applied to. I think the review team’s hope was that it could be used to help CRHA develop a more actionable plan. One of the nice things about the CAHF and the Vibrant Communities Fund is that they are local dollars. They are flexible. Any time we use the HUD funds, as soon as we award them, the clock starts ticking. On the CDBG side, at the end of each program year, HUD does a calculation of how much money we have not spent on what they have given us. If it is too large, if it does not meet their timeline, we start to have a different conversation with HUD. A similar thing applies to the HOME side. My colleague Laurie Jean and I are available to work with the CRHA to try to come up with a plan. That property could provide benefit to the community. It is a worthy plan. They indicated that if they did not get the full $150,000. I looked at all the years of the HOME program. In one year, our local share was $147,000. That was about 20 years ago. It has never been close. The review team started off not being able to fully fund them.

Commissioner Solla-Yates – With the $55,000 that is unallocated, could that be used to supplement the Charlottesville Affordable Housing Fund? Could that be used in that process in some way in a helpful way? I worry about the clock adding complications and problems.

Mr. Warn – The short answer is yes. It cannot supplement local funds. HUD is clear that they are trying to give us money to do additional things in the community that we would not be able to do. Could it go to support a project? Yes, especially if it increases what that project can do.

Commissioner Solla-Yates – If someone made a spreadsheet looking at ways to reallocate, assuming that people who ask for a certain amount of money should only get that certain amount of money and not extra bonus money, would it be possible to keep funding to what is asked for and move money to LEAP, AHIP, and CIC without problems?

Mr. Warn – I can share with you the ‘sandbox,’ the spreadsheet that I created. I can unlock and share it with you. You can look at those kinds of funding recommendations. There are 2 boxes that are hidden off the side that show you how much is available in HUD terminology, funds that are available to commit. It is the money that you have to work with.

Commissioner Solla-Yates – If there was a proposal made tonight for recommendation to Council and the recommendation was to hold requests at the levels requested and then to add the balance to the 3 named organizations who are not meeting their requests, that would not break CDBG rules?

Mr. Warn – You have the power to make whatever recommendations you want to Council. I will say the work that CIC does is rare for a city of our size. To have CDFI, a treasury designated community development financial institution in our community for a city of our size is rare. If you have been over to the Saturday market, a lot of those people came through CIC workshops. The Beacon Commercial Kitchen is thriving. A lot of the people there preparing food and a lot of the people who came up with the idea came out of the CIC partnership. I am not allowed to have input on any of the recommendations.

Commissioner Yoder – On the programmatic funding and set aside, the 2 Council priorities that are each $89,000, are those funds that are set aside, and Council is going to determine? Have they been allocated in this process already?

Mr. Warn – When I started December 7, 2022, that was one of the questions that I asked. It was in there all the time. Nobody knew where the numbers came from. Many of the people involved at the time are gone. We do not always get applications up to that level. The approach that has been adopted by the review teams that I have been working with has been to try to get to that goal. If you cannot reach that goal, we specify that in the notes that go to City Council. What I have been told is that part of that incentive for the public facilities infrastructure came from when the program was trying to do things like sidewalk improvements and things in areas that typically get that kind of work. One of the problems that you came up with was that timeliness requirement comes in. This money needs to go into a project, especially on the CDBG side into a shovel ready project that has already been through permitting that has NDS approval. A couple years ago, we were able to invest around $89,000 into this emergency that was encountered by Beacon Commercial Kitchen while they were digging up their pipes. We had that money set aside. They had already been through permitting, all the site plan review and development. Their contractor dug up the connections to the municipal line. They were in bad shape and too small. They needed about $90,000 to replace that. Since we had the money available in that set aside for the public facilities and infrastructure, we had not received an application. They had the permitting in place and all the approvals. We were able to make a quick injection of those funds. Their contractor did not even have to stop work. They just stopped working on excavating out the water, sewer, and electrical conduits. They did some work on the inside of the building. When the money came through, they were able to switch around seamlessly.

Chairman Schwarz – What the committees ended up doing was spreading the money equally even if you are going over a requested amount. Is there a reason they chose to do that versus leaving them not adding money to people who have already gotten everything they asked for?

Mr. Warn – There was deliberation of the 2 options, which was to take any potential overage and allocate that in a different way or just go with the uniform increase. It was because we had no idea when. The HUD notice is typically supposed to come around January/February. Last year, it came out at the end of May. Just looking at the calendar trying to get things in place so we can get the plan to HUD before and get the funding agreements and the scopes of work in line before the July 1st start of the new program year because we had no idea when the letter would come. As soon as we had our final meeting and they voted, we went back, and the letter came in. It was basically without knowing the final answer.

Chairman Schwarz – This timeline happens every year. It always comes late. Is this just a new thing with the federal government?

Mr. Warn – There is a statutory requirement that they have. The allocation is published by April 4th. In the code of federal regulations, it says that. In terms of the guidance, they usually have dates that they set for when they want to plan for a city like ours. That memo has not been published. When it is published, it is the 1st or 2nd memo that HUD publishes each year. That has not come out this year. We default to the statutory absolute deadline, which is August 16th. We are trying to go earlier to get funding recommendations. We go before Council May 4th, Planning District Commission May 7th, and the final vote is on May 18th.

Chairman Schwarz – It makes sense. I see that you have July 1st. You must work backwards from that. I was curious.

ii. Public Hearing

No Public Comments

iii. Commissioner Discussion and Motion

Motion – Commissioner Mitchell – I move that we recommend that Council accept the draft one-year annual action plan for Program Year 2026/2027 and the associated draft funding recommendations as presented here tonight. Second by Commissioner Roettger. Motion passes 6-0 with 1 abstention. (Commissioner Solla-Yates)

Discussion following Motion and Second

Commissioner Solla-Yates – The only wording changes that I would like to see would be that 'recommend that funds for Arc of the Piedmont, Haven Day Shelter, and BGFCville Builds be held at the amounts asked for, and the balance be split between CIC, LEAP, and AHIP.'

Chairman Schwarz – I will not accept that as an amendment for the logistical reasons that staff has pointed out and the people who deliberated on this earlier. It would be more difficult than it needs to be to manage it that way.

IV. PLANNING COMMISSION ACTION ITEMS
Beginning: Following any public hearings

1. Special Exception Request – 408 Harris Road (PL-26-0030)

i. **Dannan O'Connell, Staff Report** – This is a special exception on amenity space for 408 Harris Road.

Next Slide
The property is zoned R-B as is most of Harris Road. There is a line of R-C zone townhomes adjacent to it. That is part of the Longwood PUD. There are also some civic zone areas there for the amenity space for that PUD development. Jackson Via Elementary School is off to the east. The area is mostly designated medium intensity residential, which includes townhomes, duplexes, and things like that.

Next Slide
The next slide has the applicant's exhibit. This is a 6 sublot proposal. It is 6 residential dwellings in 3 duplex units with side-facing garages. The applicant would like to use the green highlighted areas, which are small grass front yards as the amenity space as required by the code.

Next Slide
The final slide has the request. To make this happen, we would need to reduce the required amenity space per lot, which stands at 10 percent and reduce the minimum and amenity space dimensions. The code requires each area to be a minimum of 400 square feet with horizontal dimensions of at least 10 feet. Staff did not recommend approval of this. The reasons were included in your staff report. If approved, we would not recommend any conditions be placed on the permits.

Commissioner Mitchell – With the right-of-way configuration, is that at the heart of the problem? Is it the applicant's design? The applicant is suggesting that the right-of-way configuration is the problem and not their design.

Mr. O'Connell – With the existing right-of-way, there is a curb and a sidewalk. I believe that the applicant is reconfiguring a bit. They approached us earlier asking if right-of-way could be purchased from the city.

Engineering and Utilities discussed that and shot that down saying it was more trouble than what it is worth regarding the configuration and maintenance of the utilities that are already there and that are proposed to be there. There is some grass area that is within the right-of-way currently. That cannot be used as an amenity space because of the way the code is written. The code specifies that an amenity space must be on a lot and not part of the right-of-way.

Commissioner Mitchell – It would be difficult for the applicant to redesign this thing to meet their general objectives because of the right-of-way. Is the right-of-way really the heart of the problem? Is there something I am missing?

Matt Alfele, Development Manager – The applicant will have a chance to speak in a minute. They might be able to speak to that. I would just leave it to clarify questions right now. Give the applicant a chance to give their presentation.

ii. Applicant Presentation

Richard Spurzem, Applicant – We have been working on this parcel for about 11 or 12 years. We first thought about adding it to the PUD for Longwood. Somewhere along the line, the acreage requirements for PUDs increased. We could not do that. We then looked at applying for a special use permit to get additional density here. That did not work out. When the new zoning code came into effect, we started to go down that road. We have gone through various things. I am surprised that staff did not recommend approval of this since they are the ones that suggested we go down this route and not go through the purchase of the right-of-way route. There have been few projects and no significant projects approved under the new zoning code. There are little parts of it that need to be worked out and clarified. That is the whole point of you redoing the code. We have tried to work with this. We are just trying to produce townhouses that are just like the joining the development of Longwood, which has 43 townhouses. It adjoins Flint Hill, which is now under construction. That was approved. This is a great place for this. It is 6 lots. My engineering planning costs are over $40,000 on this project.

Dustin Green, Applicant Engineer – With the minimum amenity space requirement, this infill site is approximately about 8,900 square feet. It is a tight space. The 10 percent amenity space requirements put us over 800 square feet. The space is available. That is why we tried to approach the city in purchasing the right-of-way. That is usually done within a foot of the back of the proposed sidewalk. Sometimes there are access easements that are requested by the city to maintain those into perpetuity. The 400-square-foot space and the 10-foot minimum width are available if we were to use that area from the back of the sidewalk onto the property. We are trying to balance the sublot requirements for density along with the amenity space requirements. We feel that the special exception is made for these kinds of situations. The new zoning ordinance does not always think about some of these difficult properties that have these tight spaces.

Commissioner Roettger – Can you bring up the site plan that has Exhibit A and Exhibit B?

Mr. Green – This is Exhibit A. The smaller shows that the minimum square footage of 400 is not met in any one of those instances. The 10-foot width is not met. If we were able to use the area behind the sidewalk, we would meet the 10 percent, 400-square-foot, and 10-foot-width requirements. People are going to use those spaces. That is the intent of the amenity space requirements. It is a matter of who owns that area. We wanted to purchase it.

Commissioner Roettger – What is happening between the 3 buildings?

Mr. Green – Those are the shared driveways going into the garage spaces.

Chairman Schwarz – Other than the amenity space, are these lots meeting all the other requirements of the code?

Mr. Green – Yes. We have not resolved all technical comments. We are very close.

Chairman Schwarz – The tree coverage, the maximum building area, the front edge building width have been met. As far as you know, it is just this.

Mr. Green – There was a streetscape variance requested. There is a storm sewer uniquely on the sidewalk. Having a green space, we are not allowed to put trees there.

Chairman Schwarz – Is that along the entire sidewalk?

Mr. Green – Yes. The idea for this is Streets That Work initiative is that they want to have some green space in between the sidewalk and the edge of the back of the curb. In this case, the storm sewer you see at the corner of Longwood, follows the sidewalk. We would not be able to plant trees on the sidewalk anyway. The green space is allowed to be behind.

Commissioner Yoder – You are saying that there is stormwater facility under what is currently a green strip between the sidewalks.

Mr. Green – There is a storm sewer drainage pipe. You can see it up there right at Longwood. That is the top of the drainage area. It does follow underneath the sidewalk all the way down.

Commissioner Harness – Can you describe these 6 homes that you envision being on the plot? I gather that they are townhomes with a garage on the ground floor. Can you describe the rest of them?

Mr. Spurzem – They are basically townhouses that exist directly adjacent there. The first level is a garage. You then go up to 2 levels above that. You are going in that driveway where you have those little islands. You are turning into the garage.

Commissioner Harness – Do you know how wide they are proposed to be?

Mr. Spurzem – It is 20 feet.

Commissioner Harness – If I am not mistaken, the townhomes in Longwood front the street.

Mr. Spurzem – The one that this is adjacent to has a private courtyard that fronts.

Commissioner Harness – Is there something driving sublots 6, 5, 4, and 3 from not facing the street?

Mr. Spurzem – The zoning does not allow it to face the street.

Commissioner Mitchell – You are asking for the special exception because there is a hardship. The hardship is a result of the right-of-way configuration.

Mr. Spurzem – Yes. You see the right-of-way. The curb and everything are well into the right-of-way. We could acquire this right-of-way.

Commissioner Mitchell – I want to make certain that we understand the net of the problem.

Mr. Spurzem – This thing cannot be developed if we don't get this exception. We have been through every other part of this and resolved other issues. There was initially a plan where you had 2 townhouses fronting Harris. You then had 4 front townhouses fronting on Longwood. That is not allowed now with the sublot.

Mr. Green – It is a good idea for the city to keep your right-of-way for future infrastructure. That makes sense. On a closed road that is lined up to flood plains, a creek, and the city border, it does not make sense.

Mr. Spurzem – We know that the right-of-ways in the city are much wider than the roads that are built in most places.

Commissioner Solla-Yates – I recently emailed staff asking about our plans for Longwood. The applicant is asserting that we are not planning a major highway through the area. Can you confirm that?

Mr. O'Connell – Yes.

iii. Commissioner Discussion and Motion

Commissioner Yoder – If I understand correctly, the main issue is that the amenity space exists in the real world. It belongs in the city right-of-way. If you are walking down the sidewalk, you cannot tell that. If we were to grant this, the main concern would be in the future. If the city wants to come through and widen it, that amenity space no longer meets the requirements. That seems like the main risk to approving the special exception.

Commissioner Harness – The other risk that might come along with it is the precedent it sets for amenity space, including land that is not on the lot.

Chairman Schwarz – I am not sure that I fully understand this whole amenity space requirement that we have in the zoning code. I must admit that I remember it being part of apartment buildings. If I realized it was part of R-A, R-B, and R-C, I would have made a much bigger stink about it when we were writing the draft of our zoning code. We have public parks for a reason. I feel this amenity space, a 10-foot planted strip, I am not sure what that is as an amenity space. You cannot throw a ball in that space. There could be trees or bushes there. Is that enough room to put a little playhouse. Do we want to see that in our city right-of-way? I feel that these driveways are going to be there, if these people have kids, the kids can play in the driveway. If they want to throw a ball, they are going to walk out in the street. There is not a lot of traffic. It feels like an odd requirement of our zoning code. I would like to see it added to our list of items we want to review with the zoning code as to whether it needs to be there. The staff report cites 'ensuring adequate recreation and open space for occupants and ensuring such spaces are accessible, usable, and safe.' There was another line that wasn't included which 'was encouraging projects to provide high quality pedestrian-oriented and publicly accessible gathering spaces along streetscapes.'

Mr. Spurzem – My understanding is when I asked this question to the planners and my engineer, we are going to have decks on these. Those are amenity spaces. They are only for the tenants of that unit. This amenity requirement is apparently only for a space for people to gather in a public space. People can gather in the driveway. That is the only amenity space for that occupant. There is amenity space. It is better for a bigger development that has a big top, playground, swimming pool, or tennis court that is a real amenity space that can be used by everyone in the community. The fact that these 6 people will come out and gather on the strip of grass, whether it is 400 square feet or 800 square feet and not just congregate on their own deck is absurd.

Commissioner Roettger – Since this is not necessarily a space where people would gather because it is a strip. Can you add up the entries? There is some other space that could be counted if it needed to be counted to get by the requirement.

Mr. Spurzem – Officially, those are driveways. We cannot count those.

Commissioner Roettger – Along Harris, there is grass. There is a buffer there too.

Mr. Green – We were trying to use the side of the house spaces. I don't want people in my front yard if I could avoid it. This is a space on the side. Not using all the little intricate parts is because of the 400-square-foot and 10-foot-wide requirements. If we were to have the special exception reduction, we are still at 8 percent of the total 10 percent space. We don't meet that width

Chairman Schwarz – It is probably bad planning to say that we are going to approve this because we don't like that section of the zoning code. It is worth an exception because the staff's graphic that showed adjacent green spaces. There are some large green spaces adjacent to this. There is a school directly across the street that is a large gathering space that would be a good reason to give this an exception. The form of these buildings, with the amount of green space that is there matches what is currently happening with the adjacent townhomes. It seems to fit in with that instance. If we were to pull these buildings 5 feet further from the street, I don't think that would be necessary to make it fit better with the neighborhood.

Commissioner Solla-Yates – I am looking at the Comprehensive Plan. We use the word 'context' 34 times. I especially like where we say in Strategy 1.2-Implement changes to the zoning ordinance needed to support community health and well-being context sensitive design, environmental protection, and climate change mitigation and preparedness. We must consider the context here.

Commissioner Roettger – If we were to look at this in the future, in terms of this, you are right. The context of this being almost across the street from a school with a playground gives a big plus to this. That is maybe something if we get into an amendment later, there could be something about a radius or adjacent parks. That could help alleviate some of the pressure there.

Motion – Commissioner Mithcell – I move to recommend approval of special exception permit PL-26-0030. Second by Commissioner Solla-Yates. Motion passes 7-0.

The Meeting was recessed for 5 minutes.

2. Presentation - NDS Manual In-Lieu Fee and Student Housing Study

i. Staff Presentation

Kellie Brown, NDS Director – I am here to present on our review of The Affordable Dwelling Unit Monitoring Procedures Manual, which must be updated on an annual basis. The focus of this study this year is to determine if updates to affordable housing expectations for student housing and non-student housing and bonus height are appropriate to improve support for affordable housing goals of the Comp Plan and address other concerns that have been raised with current policies specifically for student housing. The manual has not yet been reviewed nor updated since it was adopted in 2024. In November 2025, staff contracted with 3TP Ventures to support this study, conducting research on practices of other jurisdictions, evaluating current policies, and studying the financial feasibility of potential changes. Staff have also been conducting and gathering community input to confirm policy goals and making sure we are going in the right direction. Staff presented an overview of the scope of work for this effort to City Council in January 2026. I am here with

Amanda Klepper from 3TP Ventures and Line & Grade to share key findings and potential updates for options for the ADU Manual updates. I want to clarify that this is not an action item tonight but an opportunity for commissioners to learn more about this research, ask questions, provide feedback & insights. We will be sharing the same material with City Council next week. I look forward to being able to convey any Planning Commission feedback to them at that time.

Next Slide – Agenda
In terms of our agenda tonight, I will present on the study background, purpose & scope, public engagement goals & guiding principles. Somebody will present on the study findings, findings from other jurisdictions, findings from the initial fee evaluation, feasibility impacts, and potential policy recommendations.

Next Slide – Study Purpose
I have gone through this in my introduction. The purpose of this study is to conduct an annual review of the manual to determine where changes are needed. We are specifically focusing on in-lieu fee payment requirements and bonus height. This is for non-student housing, student housing, and the geographic criteria connected with student housing projects.

Next Slide – Affordable Housing and Student Housing Requirements
By way of background, this is a presentation of what our current expectations are in the ADU Manual and in the development code for affordable housing. For residential development, any project with 10 or more units must provide 10 percent of units at AMI levels of less than 60 percent or pay an in-lieu fee. Bonus height for units may be achieved if units are provided at less than 50 percent of the AMI or you must provide the same fee. The in-lieu fee is calculated as the average total cost per unit of developing a residential unit in the Charlottesville market. There are expectations for a bedroom count to 3 units. The expectations for student housing are different. Student housing is not defined as a particular use in the development code. It does have criteria associated with it for the purpose of this policy. Projects that are rented by the bedroom within half a mile of campus ground for student housing. No on-site affordable units are allowed. The in-lieu fee is required. For student housing, the in-lieu fee is calculated differently. It is the difference between the value of a market rate unit and that of an affordable unit. We refer to that as the value gap. The expectations are for units that have up to 3 bedrooms.

Next Slide – Rationale for Different Student Housing Requirements
The fee structure is presented on this slide. Questions are asked. What was the rationale for a distinction between student housing and non-student housing. The rationale when the policy was created with the adoption of the development code was that there are unique requirements for student housing projects such as the rental by bedroom rather than by a complete unit with a kitchen and private amenities and parental preference for student living conditions. There was that since it is not likely that the market would want to deliver student housing projects that also include affordable units, we should not require them. To go along with that, an in-lieu fee requirement was established that had a lower expectation to be consistent with that lower expectation for affordable housing. The current fee structure for non-student housing and student housing is presented on this slide.

Next Slide – Locations Where Affordable Housing Expectations for Student Housing Apply
This is the geographic criteria where the student housing boundaries were established. On the left is UVA Grounds. You can see North Grounds and Central Grounds labeled there. On the right, it is easier to see how that translates into the area of the city where this policy would apply.

Next Slide – Student Housing History
That is the summary of the background on the existing policy. I am going to present more information on the history of student housing and market trends we are seeing.

Commissioner Mitchell – The in-lieu fee for non-student housing is higher than the fee for student housing.

Ms. Brown – That is correct.

Commissioner Mitchell – Can you tell me why?

Ms. Brown – It is a different assumption. It is assumed that we should be capturing the production cost rather than the value gap. The reason why it was deemed important to have 2 different approaches was because the value gap is a lower expectation. If we are not going to be requiring on-site affordable housing, the thought was that we should be requiring less in terms of a fee. The value gap approach is lower.

Commissioner Mitchell – Do we want the expectations to be lower for student housing as it relates to the in-lieu fee?

Chaiman Schwarz – I think that staff has some recommendations.

Ms. Brown – In terms of how we have gotten to where we are with this question of student housing, UVA growth enrollment has steadily increased the demand for student housing. Historically, students have lived on Grounds in a limited capacity and in older apartment complexes around the university. As enrollment has grown, private developers have seen an opportunity to build purpose-built housing concentrated close to Grounds. They are building these larger 4-bedroom units with rental by the bedroom. It is a profitable product type that meets a need in the community today.

Next Slide – Student Housing Supply and Demand
Here are some statistics on how that is playing out in Charlottesville. Total undergraduate and graduate enrollment on Grounds is 27,000 according to the University of Virginia on their webpage. There are 7,000 beds on Ground, 4,000 first year students. UVA has targeted all 2nd-year students to live on Grounds by 2030. There are several projects that have been recently completed or are currently under construction. This slide is not correct. It shows a few projects. 2033 Ivy and Darden are on Grounds. There are many beds that are being built close to Grounds: The Verve, Aspen Heights, 1117 Preston Avenue, and The Bloom. That adds up to 3,500 beds. It is a healthy increase in the number of beds that are available. We will continue to see students living in the surrounding community and not on Grounds.

Next Slide – Student Housing-National Perspective
This is a trend that is not unique to Charlottesville. This kind of construction is happening in other communities. There is a project happening at Virginia Tech known as The Rambler that will be a short walk from Virginia Tech. It will be 8 stories, 247 units, 862 beds, 577,000 square feet. This product type is trending throughout the region and nationally as well.

Next Slide – Virginia Demographic Trends
We don't have a crystal ball for what the future holds. It is not clear that this is a trend that will continue. It may be something that we are just seeing at this moment in time. Births in Virginia peaked about 18 years ago. We are going to start to see a decline in the total number of kids that are looking to go to college. We don't know what that means for enrollment at UVA. There is a question of whether we, with all these new beds coming online, we reach saturation. I know from sharing this information at LUPEC and getting some feedback from staff at the university that there are currently no plans to build any additional housing on Grounds until they see whether there is continued demand for additional beds on Grounds and close to the university with all these new beds coming online.

Next Slides – Initial Observations and Concerns

Amanda Klepper, Consultant – Staff gave us several concerns that they put into the scope of our study that they had observed with the existing policy. One is that gap between the in-lieu fee for student housing and for non-student housing and whether that is the policy that we want. The way that the current fee structure was calculated and whether that is best practice. There is no in-lieu fee change for people to get bonus height representing the 50 percent AMI requirement.

Specific to student housing, the idea that the lack of on-site requirements within that half-mile buffer might be limiting the provision of affordable housing units near Grounds. The lower fee for student housing is an incentive, maybe an unintended incentive, for student housing. There is no higher fee for 4-bedroom units. There are a lot of these student housing projects. They are paying the amount for 3 bedrooms. What happens if a student housing project converts somewhere down the road and becomes non-student housing. It then has not met its requirements for affordable housing. There is a concern about that large geography of the half-mile buffer. It might be promoting displacement because it includes vulnerable neighborhoods.

Next Slide – Timeline
This is the timeline for our study back in December. We started with the scope of work. We did an initial study looking into the fee itself, how it might have been calculated and whether that is in line with best practice. What are other places in Virginia doing and making some kind of initial recommendations for direction. In January and February, staff went out to the public for some engagement and with stakeholders as well. From there, we developed some guiding principles for the work. We conducted a feasibility analysis with a proposed alternative fee structure and developed some policy recommendations. If the city wants to move forward with this, the next step would be updating the manual and the code.

Next Slide – Goals and Guiding Principles
Ms. Brown – While the consultant team was conducting the analysis of the policy and starting to investigate the in-lieu fees, we started asking some questions of the community to get a sense of what the most important things are for this policy to achieve and what potential impacts we want to avoid. We asked questions to try to evaluate potential trade-offs. Do we want fewer projects but mixed income or more projects, but units built? Throughout the community, more financial control of decisions versus less operational burden? Ultimately that translated into several questions we posed to the community.

Next Slide – Engagement Strategy & Reach
We used Connect Charlottesville/Connect Cville as our platform for getting that input. We also had meetings with committees, commissions, and some stakeholder group representatives. It was exciting to use Connect Cville. That was one of our first opportunities to test out the new platform. We had a lot of people visit the site. Not as many people provided input but helped to get the word out about the work we were doing.

Next Slide – Key Discussion Themes & Sentiments
Some core themes we heard in what was shared was concern about neighborhood preservation and character when it comes to student housing that is being developed. There was concern about these perceived loopholes and in-lieu policy. There were concerns about displacement.

Next Slide – Community Priorities & Sentiment
They ranked their concerns in the way they provided their feedback to us. The top concern was addressing displacement pressures in vulnerable neighborhoods, encouraging on-site affordable housing units, aligning fees with the current financial cost, producing and maintaining these units, supporting development feasibility for housing production, supporting new student housing within walking distance to Grounds, and increasing affordable housing options for students.

Next Slide – Guiding Principles
That allowed us to develop guiding principles to help inform our analysis and development of potential options. We want to have predictability. We want a policy that is easy for people to understand and know what the impact could be. We want affordable dwelling units on-site in new development. We want to see development at a wide range of price points, not just luxury. We want units that are accessible to lower income levels. We want a policy that promotes both public and private provision of affordable dwelling units. What can we do to ensure that the market can also support production of these units? Preservation of existing affordable units is also important. How can our policy support that? There are some things we want to avoid. We want to avoid concentrating affordable dwelling units in areas that are already low-cost areas. We also want to avoid making displacement pressures in vulnerable neighborhoods worse with this policy.

Chairman Schwarz – On the engagement page for the number of visitors and contributions, you have 270 unique visitors. This says 45 contributions. Does that mean that we 270 people looked but only 45 people did a survey?

Ms. Brown – That is correct. It was a 6-question survey.

Next Slides – Study Findings/Best Practices Fee Methods
Ms. Klepper – The first thing we investigated as part of this study was best practices for calculating in-lieu fees. In our research, we found 2 main methods that are generally used for in-lieu fee calculation. One is the affordability gap, also called the value gap. That is the difference between the value of a market rate unit minus the value of an affordable unit. This is the market rate developers' perspective of how much revenue they are losing by doing an affordable unit compared to a market rate unit. The other is the production cost. That is the construction cost minus the value of an affordable unit. That is more like the nonprofit developers' perspective of how much of a subsidy would they need to break even on providing an affordable unit given that it provides some amount of revenue. Fees can be fixed. The same fee applies to every development like your current fee. It can be indexed where there is a formula. It is calculated for each development individually.

Note that the construction cost or the cost of development, which is the current method, is not listed among the best common practices. It is generally seen as too high or over representing the cost of affordable housing.

Here are some pros and cons of each of these methods. The construction cost is a high fee if you want to balance toward providing the units versus paying the fee. That could be the way to do it. There has been concern that maybe the fee is too high. It is overrepresenting the cost of affordable units. It does not account for affordability levels. Whether it is 50 percent AMI or whatever, that is not part of the calculation. Production cost would be in line with the subsidy for the nonprofit developer to build off-site units. However, there is not a lot of developable land in Charlottesville. The off-site strategy has some limitations. It also is not dependent on keeping up to date with market rents because that is not part of the calculation. It is a low fee. Developers would be likely to choose to pay the fee every time. The affordability gap falls in the middle. It is a good match for the market rate developer cost. It would potentially be enough to fully subsidize off-site units since it is larger than the production cost. It allows for fees at multiple affordability levels. It also might align well with the tax abatement strategy if the city wants to move forward with the rent-based tax abatement because it is a similar calculation. On the downside, it is lower than the current fee and therefore maybe less likely to promote on-site units.

Commissioner Harness – What is the difference between the construction cost method and the production cost?

Ms. Klepper – The construction cost is just referring to the actual cost of building the unit. It is what the developer pays to build it. The production cost is that construction cost minus the revenue generated by an affordable unit. They are not giving the unit away for free. They are getting some revenue. It is just not enough to cover it.

Next Slide – Takeaways from Other Virginia Jurisdictions
We looked at other jurisdictions in Virginia. There are not a lot of other places at this point that require affordable units. They are all quite different in how they are structuring it. We found that pretty much every place that has an affordable unit requirement also has an in-lieu fee. There was maybe one place that didn't. That place had a lot of opportunities for modifications. They had an out. The in-lieu fee structures are different for every community. Some other places use the construction cost. Some say that only certain types of development can use the in-lieu fee. In general, very few communities have requirements like Charlottesville. There was not a lot of comparability with other Virginia localities.

Next Slide – Minneapolis Case Study
We did find an interesting case study from Minneapolis where they have student housing. They do require affordable units to be provided with student housing. These images show some examples of student housing projects that have affordable units in them. That affordability is also very student oriented. If you qualify for certain types of financial aid, you can qualify for the affordable units.

Next Slide – Findings & Takeaways of Initial Study
The existing fee does match local construction costs. We validated that. We were able to replicate the construction costs closely. It is a high fee. The method is not considered best practice even though there are some other places in Virginia that are using that. The existing student housing fee, which is described in the manual as being the value gap, might be the production cost. When we tried to replicate that, when we calculated production cost, it looked a lot like the existing fee that you are using for student housing. We think that it might be the production cost and therefore be too low. We recommend moving forward with the affordability gap as a best practice alternative with more flexibility and better policy alignment.

Commissioner Carp – That 'maybe' is striking. The code is a couple years old. I would think that we would know what the formula was. It sounds like you are discovering that it is not what we thought it was. What happened?

Ms. Brown – There has been a lot of staff turnover. We just don't have the visibility that you would expect us to have into how calculations were prepared for the existing policy. The best we can gather from trying to reverse engineer things is that if you apply the production cost approach, it seems to be the closest approximation to what is currently in the manual.

Commissioner Carp – When you say the current fees might be too low, by too low you mean developers would pay the fee and not build the on-site unit?

Ms. Klepper – That is underrepresenting the cost of affordable units.

Commissioner Carp – Is that what you are setting up to do here? It is a bigger topic than a content question.

Next Slide – Feasibility Analysis
Ms. Klepper – We did a feasibility analysis. We used the tool that we developed for the abatement study. It already has locally sourced construction costs, market rents, and affordable rents. We adapted that tool to compare the feasibility for developers of 3 scenarios. One is including the units paying the existing in lieu fee and an alternative in lieu fee based on that affordability gap or value gap. In theory, if we want to match the cost of providing the units, the feasibility of on-site and the fee should be similar.

Next Slide – Existing Fee vs Affordability Gap Fee
This is showing the current fee structure and the proposed fee structure. You can see the difference between those two. We also added a fee for 4-bedroom units for the proposed structure. We tested these two for feasibility.

Next Slide – In-Lieu Fee Calculations for Rentals
Just to show a sample calculation since we had questions about that or how the fee was calculated. This is a snapshot from our spreadsheet. You can see in detail that we have market rents that are based on local recent apartments in Charlottesville. The market rent minus property taxes and other operating expenses gives you net operating income. The net operating income was converted to a capitalized value, which is how an investor would see the value of that unit based on how much revenue it is generating. We did that calculation with an affordable rent. Those are the rent limits that are in your ADU Manual. We calculated the net operating income and the capitalized value from that and the difference between the 2 capitalized values was the fee.

Ms. Brown – I was thinking about your question Commissioner Carp about the characterization of the fee being too low. The fee that we are seeking to charge for student housing is the value gap, the difference between a market rate unit and an affordable unit. When we say it is too low, it is because what we are requiring is not that value gap. It is lower than the value gap. As we are surmising it, it was potentially that production cost other than the value gap. I wanted to clarify that. It is not that we are leaping to a policy conclusion. It is that we are objectively saying it is low relative to what the stated intent is for the policy in the manual right now.

Commissioner Harness – Is this proposal for non-student and student?

Ms. Klepper – It is for both.

Next Slide – Feasibility Analysis-Rentals
We tested this same fee for a variety of housing types as you can see on the table. These were the results regarding rentals. We looked at both rentals and condos. The metric here is yield on cost. For a feasible development, the target would be about 6 percent yield on cost. The table on the top shows the yield for projects including on-site units versus projects paying the existing fee. On the bottom table, it is on-site units versus projects paying the proposed fee. You might notice that student housing is the only development type that is getting above 6 percent in yield. Fees don't change the yield that much when comparing between the fee and providing units. It is not a big difference. If we are trying to represent the true cost, we would want it to be a big difference. The proposed fee affordability gap is a better match to units for most housing types. You can see that in bold where it is a better match.

Next Slide – Feasibility Analysis-Condos
There have not been many condos that have recently been built in Charlottesville. We did not have much data on recently built condos and what those are going for in the market. We have limited confidence in these results. With what we were able to do, this is what we found. The metric here is the gross margin. We want that to be 20 percent for a feasible development. This shows that most condo projects would not be feasible. The proposed fee has a much better alignment compared to the existing fee with the cost of providing affordable housing. The lower fee helps more in this case but would still not make condo projects feasible.

Commissioner Solla-Yates – How are you defining high-rise here?

Ms. Klepper – That is a good question. It is like steel frame over 8 stories kind of development.

Next Slide – Feasibility Analysis-General Findings

Changing the fee to affordability gap does narrow the financial gap between providing units on site and fee payments in most cases. It is not enough of a change that it is going to make a difference in a project's bottom line. Lowering this fee might address the perception that the fee is limiting to development. It is not going to make or break projects in most cases. We also looked at different tiers of land costs like more expensive areas versus lower cost areas. We wanted to note that because the fee is an average, it is like everybody pays the same fee. It is based on an average. In more expensive places, it is going to make more sense to pay the fee and not include the units. In less expensive places, it is going to make more sense to include the units rather than pay the fee. This is true for both existing and proposed. We wanted to note that there is a limitation of in-lieu fees in general. Potentially bringing the student housing in-lieu fee in line with other housing types, having the same fee across the board removes that incentive of having the lower fee. Student housing remains the most feasible type of housing to construct.

Chairman Schwarz – You said that it is the land cost that has some impact. How much of an impact? Is there a way to quantify? Are property values, if they came down 10 percent, does that make things significantly more feasible? Is that just a little more?

Ms. Klepper – I would have to investigate that. It is not the biggest impact. The areas with higher property values are also getting higher rents. That has a bit more of an impact.

Commissioner Carp – I am looking at the tables in the slides comparing current student housing in-lieu fees proposed. For studios, it is an increase of around $100,000. one bedroom is $70,000, two bedrooms over $100,000, three bedrooms $140,000. You say that adding $100,000+ to the cost of the unit does not impact its feasibility to develop. How does that work?

Ms. Klepper – It does have an impact. It is not making or breaking the project kind of impact. Are you talking about student housing specifically?

Ms. Brown – It is because the profitability of these projects is so great that having to pay an additional $4 million does not make that much of a difference.

Ms. Klepper – The fee is calculated based on non-student housing, which is, for a 4-bedroom, not as much rent. The rent is not as high as what they would be getting for 4 separate bedrooms being rented out. It is still an appeal for student housing.

Commissioner Carp – The gap must be even higher for 4- or 5-bedroom units because we don't correctly charge for them now. If I run those numbers through the 3TP spreadsheet, will it make sense? It sounds like a lot of money to me. If you say the 4-bedroom cost increases by more than $100,000, that is not going to impact production. It will have no impact on the number of units built. I need to see something that makes me believe that. It sounds like a lot of money. Maybe you can walk Council through your tool with these numbers.

Commissioner Harness – Is that not what your previous tables were trying to show?

Commissioner Carp – I want to see the process that led to the tables. This is a different way of saying there is no impact. It is so much money. I don't quite follow it. I can look at the tool later and see if it makes sense.

Ms. Brown – The tool that is available on the city website is not actually tailored to evaluate the student housing. We are still trying to figure out how we can modify that to be able to show this kind of specialized analysis that the consultants did for this effort. What might be the best thing to do for the Council presentation is to include some screenshots from the analysis to show how the numbers change.

Ms. Klepper – I can share a screenshot showing the full cost of building the student housing and how much of that is the in-lieu fee. That would be helpful

Commissioner Carp – That would be great. We have seen feedback from developers. If you were to ask a bank and developers like this, would a $4 million fee set you back? They would say no difference to us. Is that part of your research? Do you think that is what they would say if you asked them?

Ms. Klepper – We have not spoken to banks in this process.

Commissioner Carp – That is the question. Would the project get financing if the cost increased by that amount of money?

Ms. Brown – Every project is going to have its own independent review for feasibility when we are reporting out on the average how these kinds of changes impact feasibility. Yes, individual projects are going to be facing different circumstances. On average, what we are trying to demonstrate is that the yield only changes by 0.2. It changes very little if at all.

Commissioner Solla-Yates – I am still on this spreadsheet. With student housing, I noticed that the number is closest to high-rise. I think I know what kind of building we are modeling here. Are we talking about high-rise student housing?

Ms. Klepper – It is modeled more on low-rise. We would have more units with high-rise.

Next Slide – Change Fee Method to Affordability Gap
We recommend changing the fee method to the affordability gap. It brings the fee in line with best practices and with the true cost of providing affordable units. It addresses the perception that the current fee is too high and is curtailing new development, Potential impacts could be an increased supply of housing if that is the case and probably an increased fee payment, especially if the fee being too high is holding back developments then those were not the ones that were going to provide the affordable units anyway. We also recommend aligning student housing with other types, both in having the requirement for affordable units and having the same in-lieu fee as other housing types. Student housing is housing. It can be contributing to affordable housing in line with other types of housing. This is a simplification of affordable housing policies and addresses the concern that the student housing could convert to non-student housing eventually. Potential impacts would be increasing the student housing fee, more payment of the fee from student housing developments and therefore increased revenue to support community needs.

Next Slide – Eliminate Geographic Criteria for Student Housing
To go along with that, eliminating the half-mile buffer, the geographic criteria for student housing. It is considered equivalent that buffer is no longer needed, simplifying the affordable housing policy. We believe that there are plenty of other reasons that student housing would want to locate close to Grounds. That is where the students are. It helps them be more marketable to students and densities are higher there.

Next Slide – Add In-Lieu Fees for 4+ Bedrooms
We recommend adding an in-lieu fee for 4 bedrooms. The current fee structure ends at 3 bedrooms. Many units in student housing have 4 bedrooms or sometimes even more bedrooms. This would increase the revenue from 4-bedromm units. Potentially student housing may be still less likely to include on-site units because of the profitability of their units.

Next Slide – Add Fee Requirements for Bonus Height

We recommend adding a few requirements for bonus height. On this slide, we have shown the in-lieu fee calculated for 50 percent AMI rather than 60 percent AMI. A slightly higher fee that could be charged to get the bonus height. As an alternative, if we don't want to go down that path of either having 2 fees or if we decide we are happy with the construction cost fee then the alternative recommendation would be just to require on-site units to get bonus height.

Next Slide – Summary of Potential Options to Consider
To summarize the potential options to consider:
- Applying the affordability gap approach to the in-lieu fee expectation to align it with best practices and the true cost of affordable units.
- Potentially addressing the perception that the current fee is curtailing development.
- Increasing the fee for bonus height to reflect the fact that there is a different requirement for getting bonus height.
- Requiring on-site affordable units for student housing with the in-lieu fee to be aligned with other types of housing.
- Removing the half-mile buffer, the geographic criteria for student housing.
- Adding an in-lieu fee requirement for 4-bedroom units.

Next Slide – Future Considerations
Some future considerations would be that it will be important to keep monitoring how well the fee promotes on-site units versus fee payment where things are being built, where the fee is being used compared to units and continuing to monitor the market conditions given policy and demographic changes, especially around student housing, given some of the changes that staff mentioned.

Chairman Schwarz – You stop at four or more bedrooms. What happens if someone wants to do 5 or 6 bedrooms?

Ms. Klepper – They would be paying the in-lieu fee for 4 bedrooms.

Chairman Schwarz – Is there a drawback to that.

Ms. Brown – We have talked about this and there not being examples to look at those costs. We would propose that this is one of those things that we would monitor. If we start to see 5+ bedroom projects come online, next year, we can come. At this point, it would be speculative to try to come up with a requirement for that kind of product.

ii. Commissioner Discussion and Questions

Commissioner Roettger – Would it be helpful for the City Council Presentation? I am trying to picture the things that are in construction in relationship to this. I know we don't want to just name specific developments. To me that would be helpful. It would help visualize what we are talking about. Are we allowed to talk about the projects currently under construction?

Ms. Brown – With the projects under construction, we have included in that map. There are images in the presentation of The Verve and The Bloom as well. I want to make sure that I am highlighting those that have been provided.

Commissioner Roettger – When we were talking 4 bedrooms that was where I was thinking of what we have now. We have the total number of beds. You do have the visuals.

Ms. Brown – We can add the statistics on those visuals of the projects.

Commissioner Roettger – If the idea is that we are building all this, maybe we top out.
Commissioner Solla-Yates – I shared a couple of questions by email previously. I would like to go over them. I watched an excellent webinar with Ms. Brown. There was a discussion about funded inclusionary zoning. I note here, especially for 3-bedroom housing near jobs and services, especially near low-income and more diverse areas at high risk of displacement. That is not what you studied here. It appears to be an option that Portland is doing. How could that connect with this work?

Ms. Brown – That is a policy question. Should the city be looking to provide additional support to the development community to offset the costs for providing these required affordable units? The idea of tax abatement to help offset some of that requirement has been suggested. We recently did a study that showed that if you apply a rent gap method where you are seeking to abate the taxes that represent that gap between what you can charge. You then help with the feasibility of the project. You don't completely overcome the feasibility challenges. That certainly is an additional tool we could consider. I think what we are finding through this analysis is that student housing is at that or above that threshold for project feasibility, even with an in-lieu fee expectation that is intended to represent that gap. There is a question of whether additional incentive is needed to help support student housing projects. It is certainly something that we can continue to explore as a city to further incentivize types of housing that meet certain goals. I would not necessarily just look at it within the context of student housing. I would like to look at it for all kinds of projects to meet a variety of community needs.

Commissioner Solla-Yates – We have seen a 12-story student housing building go up near the university. It was not something we thought about when we were writing the zoning code when we were creating those policies. We were thinking 1880 JPA at maximum. The world changed again. Does the new reality of how we are funding inclusionary zoning change how we should be thinking about how high we should be going to meet this new reality? Is the overall financial map higher now?

Ms. Brown – You are asking if additional density might be needed beyond what is already allowed to support financial feasibility. I am going to look to Ms. Klepper to see if you have any immediate reactions to that question of whether adding 1 or 2 more stories of by-right height would significantly change the feasibility of non-student housing projects.

Ms. Klepper – We did find in our model that high-rise had a higher feasibility than mod-rise. It is something to investigate in more detail if you are interested in that.

Commissioner Harness – I am trying to take all your recommendations and think about them with each other. The affordability gap recommendation is basically you trying to land in the middle from where the non-student housing is and where the student housing is currently and applying that across the board. We are responding to the reality that these buildings that are projects being built are typically 4-bedroom. We are adding the extra 4-bedroom. I am thinking about removing the geographic boundary. I am trying to avoid using student housing developments with units that are rented out by the bedroom are allowed by-right citywide. It is basically a single resident occupancy building. This is saying, in a holistic picture, that single room occupancy is allowed anywhere. If you choose to go single room occupancy, you are still not allowed to build affordable units on-site.

Ms. Brown – No. We would suggest that there is no reason why single room occupancy projects should have different expectations for on-site affordable units than non-student housing. That policy could apply uniformly across the board. If it is a product type that does not lend to provision of on-site units, you can pay the in-lieu fee instead. You have flexibility.

Commissioner Harness – This is holistically again trying to eliminate the thing that we call today student housing. Part of the presentation was also about the goal of protecting sensitive neighborhoods. How does the idea of eliminating student housing align with that goal.

Ms. Klepper – It removes the incentive of a lower fee that applies within that half mile. If I understand correctly, it seemed like the concern was that half mile included a lot of vulnerable neighborhoods that were then having an incentive for student housing to be built within. This removes the incentive. We are assuming that student housing would have its own reasons to want to be close to Grounds. That half mile buffer was not even that far.

Commissioner Harness – There are other pressures outside of zoning and fees and things that the government can pull the strings on that are going to pull student housing closer to Grounds.

Ms. Brown – Presumably, the closer you are to Grounds, the higher your rents would be, the more likely you would be to locate there if there was a greater city expectation for affordability.

Commissioner Harness – With all this going on, are there thoughts about increasing by-right height or closer to Grounds to further pull things in that direction?

Ms. Brown – That is not something we have looked at. There needs to be a study of all the potential impacts of increasing building height, impacts on the transportation network. We have not moved in that direction. That would need to be something we would consider as part of our work plan and how that would shake out amongst other priorities.

Commissioner Harness – I think about a comment that we heard from the school district about when one of the student housing buildings come up, they saw an increase in enrollment. Homes that were taken by students previously were then vacated by the students and families were allowed to move in. We have a lot of things going on. I wanted to see if that was part of this study. I understand that is a bigger question picture to be presented in the future.

Commissioner Carp – You have a timeline in the presentation about when this goes to Council. Are they voting next week? Are they asking questions next week?

Ms. Brown – Next week, the format would be like here. They will be getting questions and hopefully getting directions about whether they want us to move forward with these or other recommendations.

Commissioner Carp – Is the timeline dependent on Council's reaction? There are a lot of things happening right now. I am thinking about the timeline for this moving forward. I am thinking about the feedback we heard in the past about predictability for developers, about wanting to know the rules, building a model, get clients, and build a project. Do you imagine this work affecting projects that are in the pipeline now?

Ms. Brown – If changes were made to the development code, they would apply to any projects that are still under review or have not been submitted. Anything that has already been approved would not be subject to change.

Mr. Alfele – It has to do with your vesting in governmental action. You have developers watching to see what is going on. You have projects in the pipeline. Governmental action is the approval of a development plan approval of a final site plan. That is what vests a project under your zoning regulations and your policies.

Commissioner Carp – Anybody without an approved final site plan would be subject to the new rules?

Ms. Brown – That is correct.

Commissioner Carp – I am thinking about the policy goals of inclusionary zoning. The point of inclusionary zoning is to provide affordable homes. Do you think these changes will yield more or fewer affordable units than the status quo?

Ms. Brown – They could, and they should. In suggesting lowering the in-lieu fee expectation for non-student housing, we are potentially allowing for projects that currently are infeasible to move forward.

Commissioner Carp – Do the yields improve enough for that if you go back to that yield comparison.

Ms. Brown – A little. There are a lot of other factors that are playing into whether we are seeing units. It is moving the needle in the direction we want to go. On the student housing side and requiring affordable units, that is in the spirit of providing units.

Commissioner Roettger – I do like the simplicity of not having the different categories. I heard from PHAR and other advocates why can't we have affordable units in these buildings if it works out. I have heard that there is some advocacy for that in some of the neighborhoods around those big developments.

Commissioner Yoder – I agree. I think simplicity is better in this zoning code. I support eliminating student housing as a separate category where we have locations in our zoning code where we map for that. I don't know what the right fees are. I think I understand the yields and everything that I see here. My main concern is that we don't set the fee that we are making too many new units infeasible. I agree with Commissioner Solla-Yates that I would like the city to seriously consider some kind of tax abatement strategy. If we as the public want public affordable below market units, it is perfectly appropriate for us to forgo some tax revenue to get that and make sure we are not reducing the number of new housing units that we are getting by charging those fees.

Commissioner Solla-Yates – Inclusionary zoning does not increase housing units at all. In general, it decreases housing units. What it does provide is access to opportunity. It provides places where people, who otherwise would not be able to access to have some chance for those lucky few. It is exciting. The challenge is that in some places those numbers don't work.

Commissioner Carp – Is the proposal going to do that thing? Are we going to get more units than the counterfactual? I am still not so confident that will happen.

Commissioner Harness – What are you looking from us?

Ms. Brown – This has been helpful. I am listening to questions that can help us think about issues that we still need to explore. I am hearing some feedback that this is going in the right direction. If there are major red flags, we would like to hear about those as well.

Commissioner Harness – I agree with that. This is a sticky topic. You are doing a good job of not being sticky about it. With the calculation of the fees, I question anytime I see fees like this being calculated. I understand that you can analyze it to get the best answer you can. It still might be wrong. There is some feedback that goes on and the fees are adjusted. We are going in a good direction. I am interested to see how Council can take this in.

Commissioner Roettger – I like the direction it is going. The student housing radius has been causing a lot of commotion.

V. ADJOURNMENT

The Meeting was adjourned at 8:20 PM.

City of Charlottesville
Neighborhood Development Services Department
Staff Report

PLANNING COMMISSION PUBLIC HEARING

Subject: Comprehensive Plan Amendment to Chapter 9 Community Facilities & Services and the Comprehensive Plan Appendix

Staff Contacts: Tori Kanellopoulos, NDS Long-Range Principal Planner; Jason McIllwee, Director of Utilities; Anthony Allard, Utilities Regulatory Compliance and Operations Administrator

Date: August 11, 2026

Background

In November 2021, City Council formally adopted the City's Comprehensive Plan. Since then, there have been several amendments thereto, including adopting both the Climate Action Plan and the Parks & Recreation Master Plan.

Chapter 9 (Community Facilities & Services) of the City's Comprehensive Plan, and associated public utility maps in the Appendix, have not been updated since the 2021 Comprehensive Plan adoption. Since then, there have been updates to City and partner agency public utility and facility planning, maps, and projects. It is best practice to periodically update public utility and facility maps and plans included in the City's Comprehensive Plan.

Staff Analysis

Per Virginia Code Section § 15.2-2223, each locality's Comprehensive Plan must include the general or approximate location, character, and extent of public facilities, and the designation of a system of community service facilities. Further, per State Code § 15.2-2232, most public utilities and facilities must either be a "feature shown" in the Comprehensive Plan (*i.e.*, shown on a map or specified in text), or be reviewed by the Planning Commission to find that the "general or approximate location, character and extent" of public facilities are in substantial accord with the Comprehensive Plan. Some facilities and utilities are exempt, such as railroads, normal service extensions of public utilities, and paving, repair, reconstruction, improvement, drainage, or similar work.

This Comprehensive Plan Amendment is focused on incorporating existing and known planned public facility and utility projects and does not change the City's overall goals or approach. Updates were needed to incorporate the most up-to-date information for public water, sewer, and stormwater management facilities and utilities.

The updated Chapter and maps are available on the City's website at the following link (https://www.charlottesville.gov/2009/Community-Facilities-Services-Comp-Plan-) and include the following revisions:

- Updated Community Facilities & Services Chapter (Comp Plan Chapter 9)
    - Revisions: Added new Strategies 8.7 and 9.4
- Charlottesville Water System Map (to replace 2021 map in Comp Plan Appendix)
- Charlottesville Sanitary System Map (to replace 2021 map in Comp Plan Appendix)
- Charlottesville Storm System Map (new map to be added to Comp Plan Appendix)
- Rivanna Water and Sewer Authority Central Water Line Map (new map to be added to Comp Plan Appendix)

Staff Recommendation

Staff recommends approval of the Comprehensive Plan Amendment.

Suggested Motions

1. "I make a Motion to adopt Resolution #R-CP-26-0001, recommending City Council approve the updates to Chapter 9 of the Comprehensive Plan ("CP") and updates to the CP Appendix documents as an amendment to the City's CP."

   OR,

2. "I move to recommend denial of the Comprehensive Plan Amendment. [state reasons for denial]"

Attachments

A. Resolution for the Comprehensive Plan Amendment
B. Public Hearing Presentation for August 11, 2026
C. Copy of the Public Notice Ad

#R-CP-26-0001

RESOLUTION RECOMMENDING AMENDMENT OF THE CITY'S NOVEMBER 15, 2021, COMPREHENSIVE PLAN, AS AMENDED, TO UPDATE CHAPTER 9, COMMUNITY FACILITIES & SERVICES, AND THE APPENDIX

WHEREAS, on August 11, 2026, the Planning Commission of the City of Charlottesville, Virginia ("PC"), held a Public Hearing on a proposed amendment to the City of Charlottesville, Virginia's ("City"), November 15, 2021, Comprehensive Plan ("CP"), as amended, after Public Notice was provided as legally required by Virginia Code § 15.2-2204, to do the following:

(1) Update Chapter 9, Community Facilities & Services;
(2) Update the CP Appendix to replace the 2021 Water and Sanitary Sewer Network Maps in the CP Appendix with current network maps;
(3) Add a map of the Rivanna Water and Sewer Authority ("RWSA") Central Waterline Project to the CP Appendix;
(4) Add a map of the current Storm System Facility Map to the CP Appendix;
(5) Add a strategy to adopt relevant RWSA and Albemarle County Service Authority plans by reference, including the Urban Finished Water Master Plan; and
(6) Add a strategy for the future Schenks Branch Sewer Interceptor Upgrade Project.

NOW THEREFORE, BE IT RESOLVED that the PC recommends the Council of the City of Charlottesville, Virginia ("City Council"), approve the updated CP Chapter 9 and CP Appendix documents as an amendment to the City's CP; and

BE IT FURTHER RESOLVED, a copy of the updated CP Chapter 9 and CP Appendix documents, as recommended by PC, are attached to this Resolution, and said Resolution is hereby certified to City Council for its review and consideration in accordance with City Code Sec. 34-5.2.3.

Adopted: August _____, 2026

Attest:____

PC Secretary

Attachments:

- Updated Community Facilities & Services Chapter (Comp Plan Chapter 9)
- Charlottesville Water System Map
- Charlottesville Sanitary System Map
- Charlottesville Storm System Map
- Rivanna Water and Sewer Authority Central Water Line Map

Public Hearing

Comprehensive Plan Amendment: Chapter 9 Community Facilities & Services

August 11, 2026

Agenda

- Scope of the Comprehensive Plan Amendment
- Purpose of the Comprehensive Plan Amendment
- Suggested Motions for Planning Commission

Scope of Comprehensive Plan Amendment

- **Chapter 9 Community Facilities & Services**
  - Two new strategies:
    - Added a strategy to adopt relevant Rivanna Water and Sewer Authority and Albemarle County Service Authority plans by reference, e.g. Urban Finished Water Master Plan (Strategy 8.7)
    - Added a strategy for the future Schenks Branch Sewer Interceptor Upgrade Project (Strategy 9.4)

- **Appendix**
  - Two updated maps:
    - Charlottesville Water System Map and Sanitary System Map (replaces 2021 system maps in the Appendix)
  - Two new maps:
    - Charlottesville Storm System Map
    - Rivanna Water and Sewer Authority Central Water Line Map

Scope of Comprehensive Plan Amendment

New Strategies:

STRATEGY 8.7 *Collaborate with the Albemarle County Service Authority and Rivanna Water and Sewer Authority on public water and sewer master planning and implementation, including but not limited to, those efforts identified in the following plans:*

- The Urban Finished Water Master Plan
- The Community Water Supply Plan
- The Rivanna Water and Sewer Authority Capital Improvement Plan
- The Rivanna Water and Sewer Authority Comprehensive Sanitary Sewer Model Report

STRATEGY 9.4 *In coordination with the Rivanna Water and Sewer Authority, design and implement the Schenks Branch sewer interceptor upgrade project to address current and future wet-weather demands and enhance the system's capacity and long-term reliability.*

Purpose of the Comprehensive Plan Amendment

- Virginia State Code requires each locality to have a Comp Plan that includes, among other things, the general or approximate location, character, and extent of public facilities, and the designation of a system of community service facilities

- To be considered part of the City's Comp Plan, public facility and utility maps and plans can be included in the main Comp Plan document (including as referenced plans or studies within the text of the Comp Plan), or as part of the Comp Plan Appendix as separate attachments

- Current Comp Plan includes several specific projects and studies within Chapter 9 along with water and sanitary sewer system maps in the Appendix

- Most public utilities and facilities must either be a “feature shown” in the Comprehensive Plan (i.e., shown on a map or specified in text), or be reviewed by the Planning Commission to find that the “general or approximate location, character and extent” of public facilities are in substantial accord with the Comprehensive Plan

- Some facilities and utilities are exempt, such as railroads, normal service extensions of public utilities, and paving, repair, reconstruction, improvement, drainage, or similar work

Purpose of the Comprehensive Plan Amendment

- Chapter 9 Community Facilities & Services and associated public utility maps in the Appendix have not been updated since the 2021 Plan adoption. Since then, there have been updates to City and partner agency public utility and facility planning, maps, and projects

- Updates were needed to incorporate the most up-to-date information for public water, sewer, and stormwater management facilities and utilities

- Does not change the City's overall goals or approach

Suggested Motions

1. “I make a Motion to adopt Resolution #R-CP-26-0001, recommending City Council approve the updates to Chapter 9 of the Comprehensive Plan (“CP”) and updates to the CP Appendix documents as an amendment to the City’s CP.”

OR,

2. I move to recommend denial of the Comprehensive Plan Amendment. [state reasons for denial]

Thank You!

CHARLOTTESVILLE · VIRGINIA · 1762

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Planning Commission of the City of Charlottesville, Virginia ("PC"), will hold a Public Hearing on Tuesday, August 11, 2026, beginning at 6:00 P.M. EST, at the Charlottesville City Council Chambers, 610 East Main Street, Charlottesville, Virginia 22902, and by Zoom Webinar ("Zoom") to consider the Application outlined below.

1. Notice of Intent to Amend the City's Comprehensive Plan ("CP"):
The proposed action is as follows: Amendment to Chapter 9 (Community Facilities and Services) and the CP Appendix, to: replace the 2021 Water and Sanitary Sewer Network Maps in the CP Appendix with current network maps; add a map of the Rivanna Water and Sewer Authority Central Waterline Project to the CP Appendix; add a map of the current Storm System Facility Map to the CP Appendix; add a strategy to adopt relevant Rivanna Water and Sewer Authority and Albemarle County Service Authority plans by reference, including the Urban Finished Water Master Plan; and add a strategy for the future Schenks Branch Sewer Interceptor Upgrade Project. The draft updated Chapter can be reviewed here:
https://www.charlottesville.gov/2009/Community-Facilities-Services-Comp-Plan-.

This Public Hearing will also be heard via Zoom, for which advanced registration can be found here: https://www.charlottesville.gov/zoom. The Public Hearing is broadcast on Comcast Channel 10 and on all of the City's streaming platforms including Facebook, Twitter, and https://www.charlottesville.gov/196/Streaming. Interested persons may also participate via telephone, using a number provided with the Zoom registration, or by contacting City Staff at (434) 970-3182 to ask for the dial-in number for the Meeting. Written comments may be submitted via email to planningcommission@charlottesville.gov.

The PC will conduct the Public Hearing to receive public comments on the above-referenced Application. Following the Public Hearing, the PC will consider a recommendation, which will then be forwarded to City Council. The Application and related materials are available online (at least five (5) days before the Meeting) at www.charlottesville.gov/agenda and a copy is on file in the Department of Neighborhood Services ("NDS"), 610 East Main Street, Charlottesville, Virginia 22902, for inspection between the hours of 8:30 AM to 5:00 PM EST, Monday to Friday. Please contact NDS at (434) 970-3182 with any questions.

CITY OF CHARLOTTESVILLE
Department of Neighborhood Development Services
City Hall   Post Office Box 911
Charlottesville, Virginia 22902
Telephone 434-970-3182
Fax 434-970-3359
www.charlottesville.gov

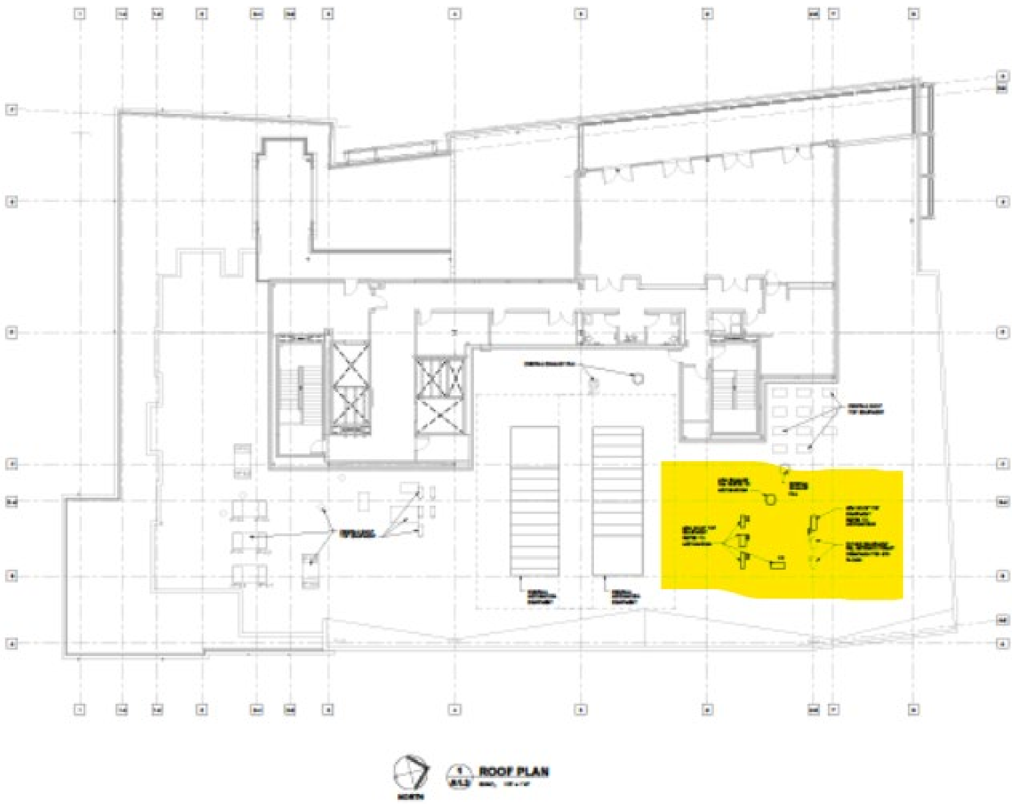
PLANNING COMMISSION REGULAR MEETING

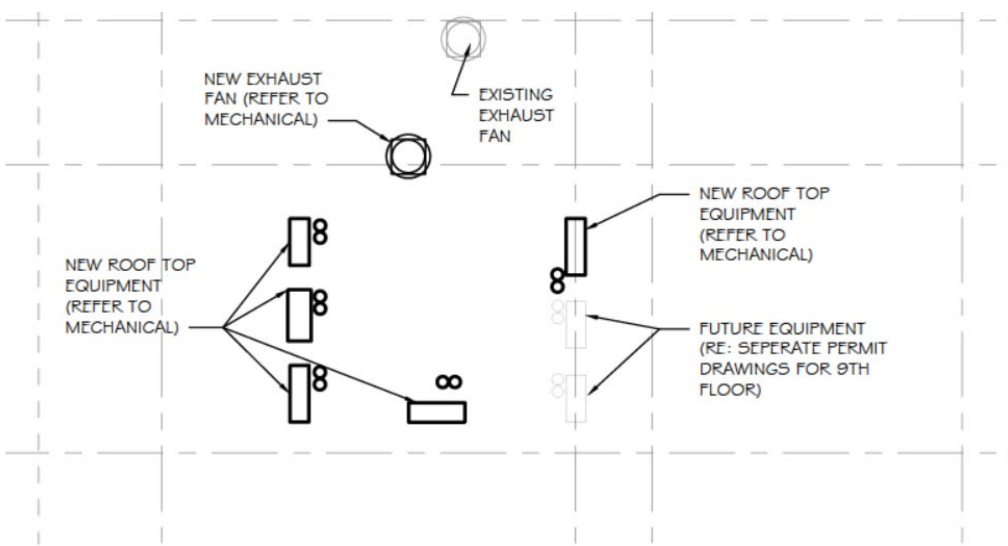
APPLICATION FOR A SPECIAL EXCEPTION PERMIT
APPLICATION NUMBER: PL-26-0084
DATE OF MEETING: August 11th, 2026

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT SERVICES STAFF REPORT
Project Planner: Benjamin Koby
Date of Staff Report: July 27, 2026
Applicant: Brian Jones, 323 Owner LLC
Applicant's Representative(s): Brian Jones
Current Property Owner: 3TWENTY3 OWNER, LLC
Application Information
Property Street Address: 323 2nd St SE ("Subject Property")
Tax Map & Parcel/Tax Status: 280113001
Total Square Footage/ Acreage Site: Approx. 0.73 acres (31800 square feet)
Comprehensive Plan (General Land Use Plan): Urban Mixed Use Node
Current Zoning Classification: NX-10 Node Mixed Use 10
Overlay District: N/A

Applicant's Request (Summary)

The applicant is requesting a Special Exception Permit (SEP) pursuant to City Code Sections 34-4.7.4.C.2. (Roof Mounted Equipment Screening) and 34-5.2.15, which states a SEP may be granted to alter physical dimensional standards. The applicant is proposing to install new mechanical equipment on the roof and utilize existing screening that is insufficient under current regulations. Current regulations state that new roof-mounted equipment "must be screened on the roof edge side by a parapet wall or other type of screening that is at least six (6) inches higher than the topmost point of the equipment being screened." (34-4.7.4.C.2.a).



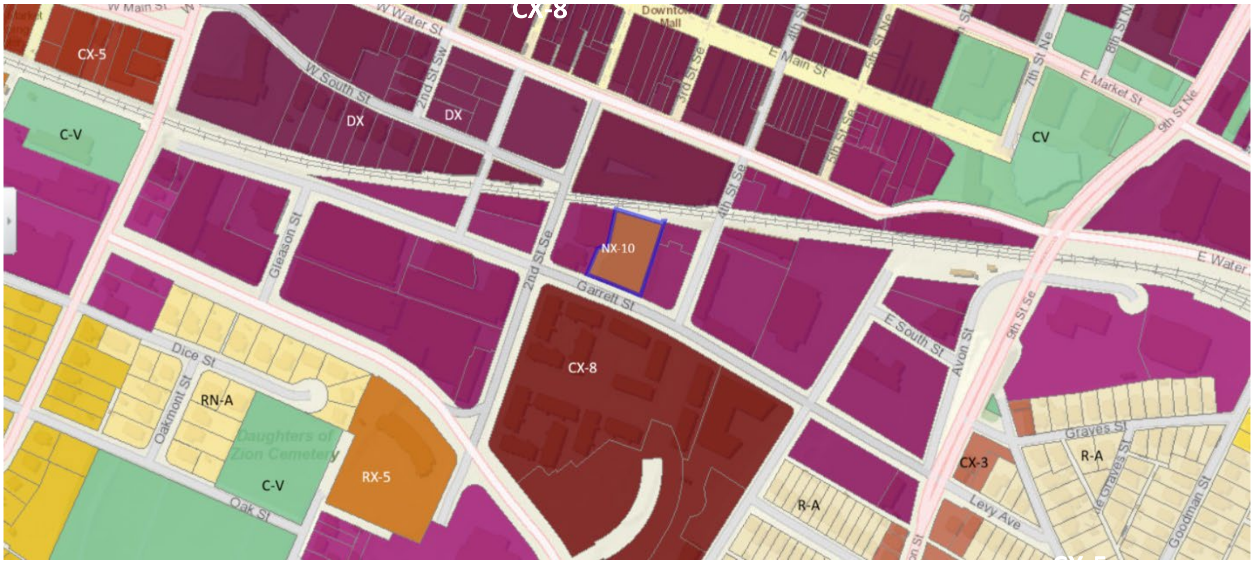


The applicant applied for two tenant upfit permits for their building (BC-26-0035 and BC-26-0037) for renovations of the eighth and ninth floors respectively. The desired interior renovations necessitated the addition of seven (7) exhaust fans on the roof. The subject building has an existing parapet wall of 48” in height ringing the entirety of the rooftop, but the proposed mechanical equipment will be 64” in height which exceeds the height of the parapet by 16”. Therefore, as proposed, they will not be meeting the screening requirements for roof top mounted mechanical equipment. As proposed, the mechanical equipment will be setback from the parapet wall by 16’. The Special Exception will reduce the screening requirement to 48” in height to match the existing parapet wall on the roof.

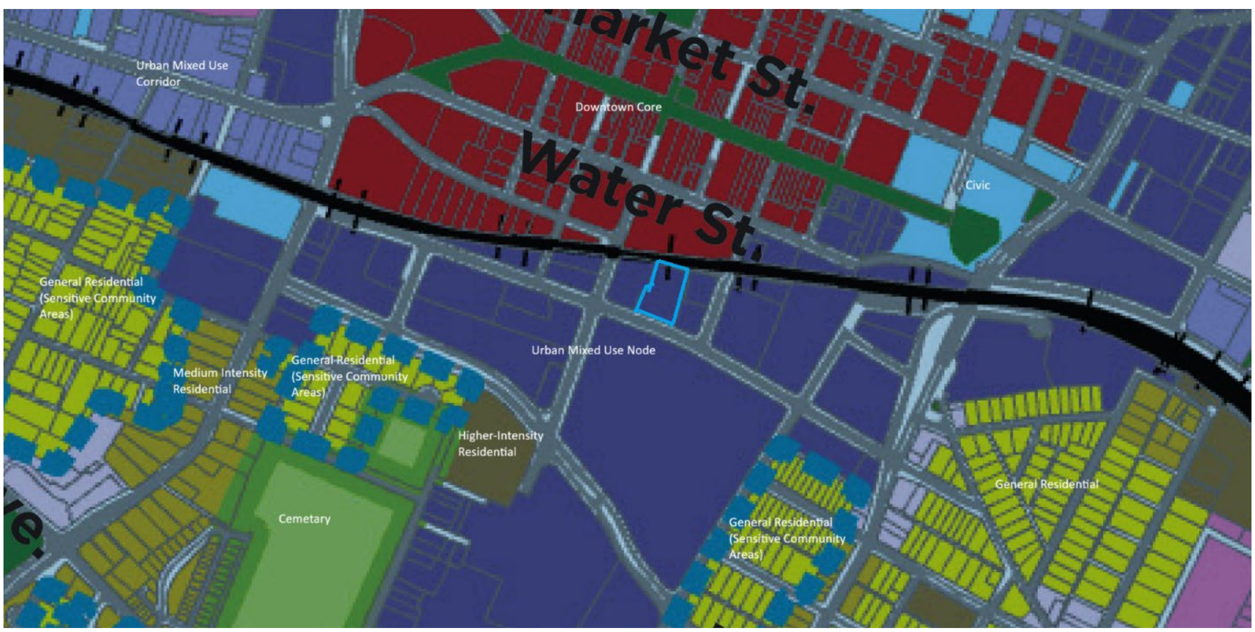
Vicinity Map

Context Map 1

Context Map 2- Zoning Classifications



Context Map 3- Future Land Use Plan, 2021 Comprehensive Plan



Standard of Review

City Council may grant an applicant a Special Exception Permit (SEP), giving consideration to a number of factors set forth within Zoning Ordinance Section 34-5.2.15.D. If Council finds that a proposed use or development will have potentially adverse impacts, and if Council identifies development conditions that could satisfactorily mitigate such impacts, then Council may set forth reasonable conditions within its SEP approval. The role of the Planning Commission is to make an advisory recommendation to the City Council, as to (i) whether or not Council should approve a proposed SEP and if so, (ii) whether there are any reasonable development conditions that could mitigate potentially adverse impacts of the proposed development.

Section 34-5.2.15.D of the City's Zoning Ordinance lists a number of factors that Council will consider in making a decision on a proposed SEP. Following below is staff's analysis of those factors, based on the information provided by the applicant. The applicant's analysis can be found in Attachment A.

1. **Whether the proposed modifications to physical dimensional standards will be harmonious with existing and approved patterns of development on the same or an opposing block face or abutting property;**

   Staff analysis:

   The subject building is nine (9) stories tall with a vertical roof top appurtenance. Functionally the rooftop is ten stories above street level. The neighboring apartment buildings complexes, those who will be impacted the most, do not exceed 4 stories in height. The new proposed mechanical equipment will be located on the northeastern corner of their building, directly abutting the railroad and their own parking lot. Considering the impact of the proposed equipment on the neighboring parcels will be] negligible, there will be no adverse impact to the neighboring buildings or public realm.

   View from Water St Garage Roof:

   The height of the equipment, height of the existing parapet wall, distance of the equipment from the edge or the roof, and the site-specific considerations will prevent the mechanical equipment from being visible to neighboring buildings and the public realm.

The subject property is not within a design control overlay district nor an entry corridor, so additional restrictions are not warranted.

2. **Whether the proposed modification supports the goals and strategies of the Comprehensive Plan;**

   Relevant guiding principles:

   Chapter 4 Goal 3. Strategy 3.4: Encourage sustainable, energy efficient building designs and low impact development as complementary goals to historic preservation including through support for adaptation, reuse, and repurposing of the built environment.

   Staff Analysis:

   Allowing for a tenant upfit within an existing building is in line with the goals of the comprehensive plan. Allowing businesses flexibility to make spaces function to their needs with little to no disruption to the neighbors is positive and beneficial to the community.

3. **Whether, with conditions, the Special Exception Permit is consistent with the public necessity, convenience, general welfare, and good zoning practice.**

   Extra conditions are not warranted. Approval of the Special Exception as requested is appropriate.

Public Comments Received

Staff has received no public comments as of the publishing of this report.

Staff Recommendation

Based on the height of the equipment, height of the existing parapet wall, distance of the equipment from the edge of the roof, and the site-specific considerations related to existing development, prevents the mechanical equipment from being visible from surrounding properties and the public realm. Staff recommends approval of the Special Exception Permit with no additional conditions beyond adherence to the current Building Permit applications.

Suggested Motions

1. I move to recommend approval of application PL-26-0084 to allow the installation of rooftop-mounted mechanical equipment by granting a modification to City Code Section

34-4.7.4.C.2, reducing the required screening height from six (6) inches above the tallest point of the equipment to the height of the existing 48-inch parapet wall, subject to the following condition(s):

   a. The size and location of the equipment will be consistent with the materials submitted in application BC-26-0035 and BC-26-0037 dated March 4th, 2026, and March 5th, 2026, respectively.
   b. [condition(s) proposed by Planning Commission]

OR,

2. I move to recommend denial of application PL-26-0084.

Attachments

A. Special Exception Request Letter & Relevant Zoning Exhibits

4.18.26

Good Afternoon,

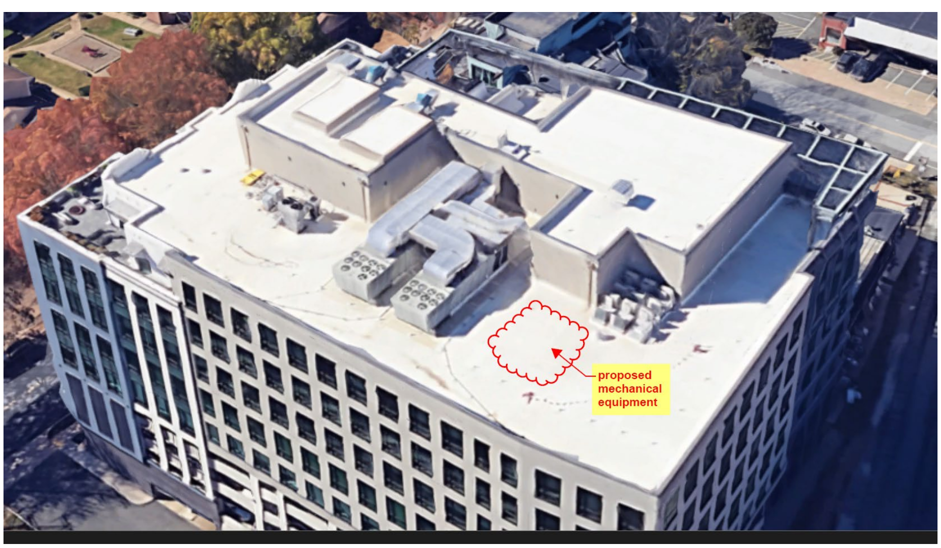
I am requesting a special exemption permit to reconsider the requirement for roof screening (section 34-4.7.4.C.2) for proposed rooftop equipment serving an upcoming tenant improvement project at the 323 building.

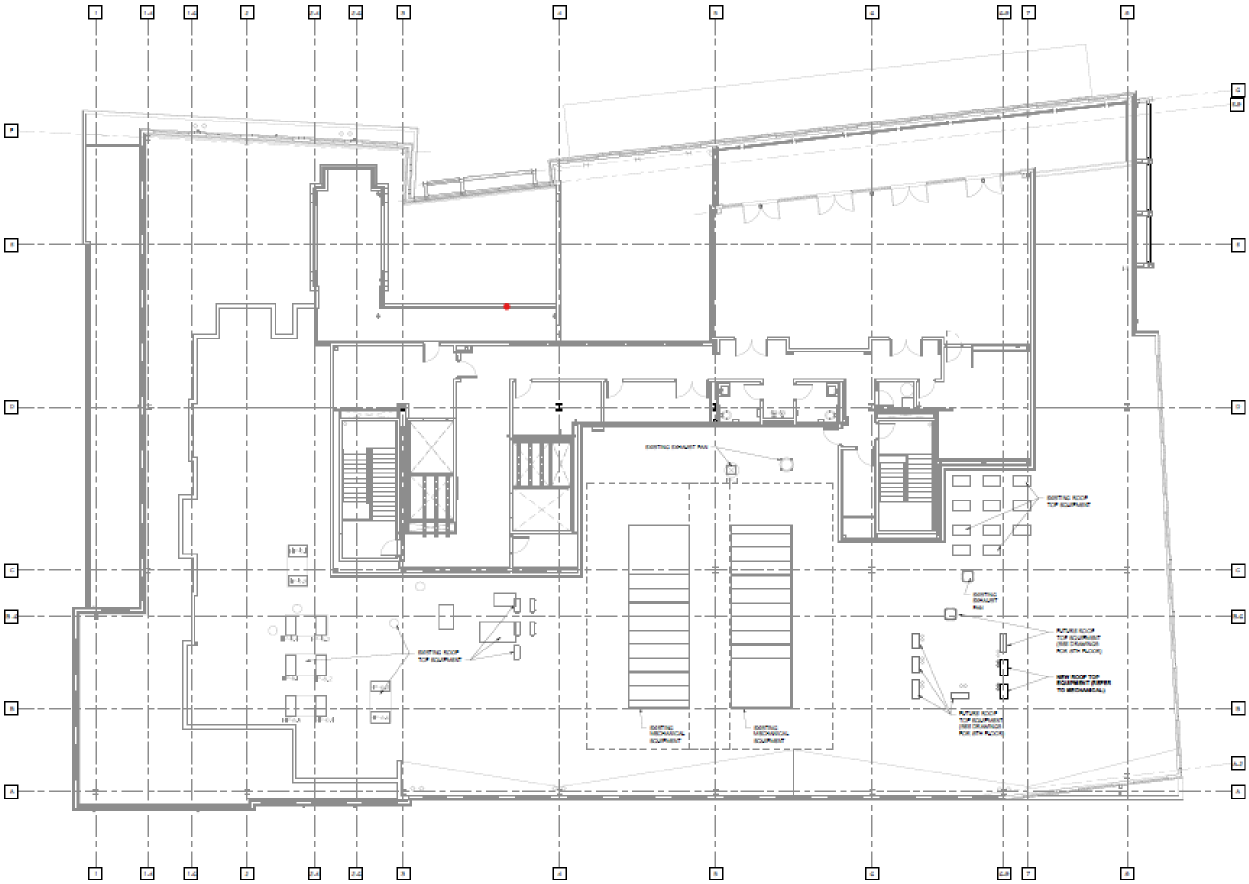
The basis for the request is that the equipment being added is not easily visible from any direction, and would not, in my opinion, disrupt the continuity of developmental design patterns within the building's specific city context.

The proposed equipment is shielded from view from all sides: From the West by the building's tenth floor appurtenance structure, to the South by the substantial setback from building's edge, and by larger adjacent rooftop equipment not requiring shielding, from the North by the railroad tracks, and from the East by the fact that the 64" high units are set back from the 48" tall parapet wall by approximately 16' .The East side of the building, which abuts a flat, ground level parking lot, is also protected from view by an active height limit restriction in place limiting the tallest structure to be built on the lot to 530' which is 26' below the rooftop plane.

Please review the supporting visuals below,

Thank you.

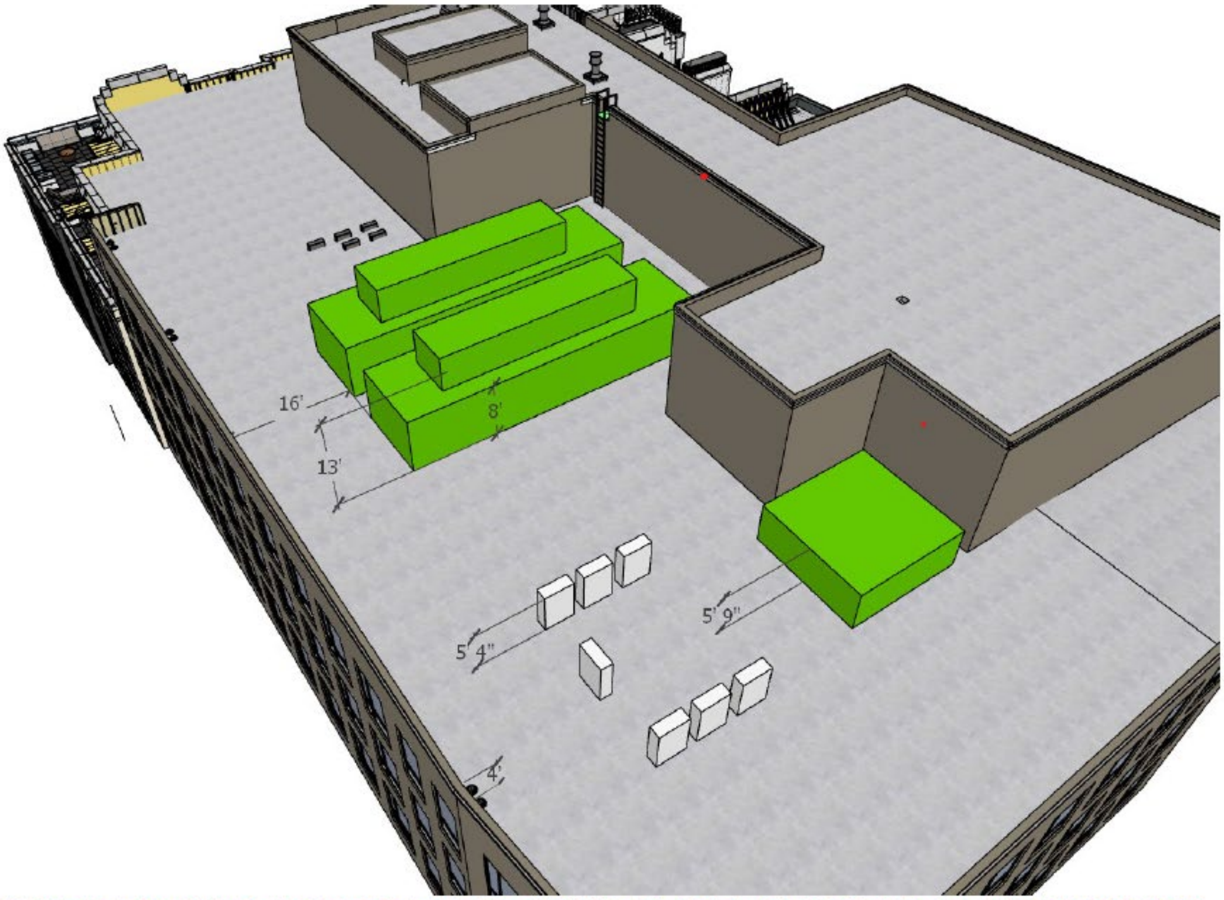




NORTH

1
A1.3
ROOF PLAN

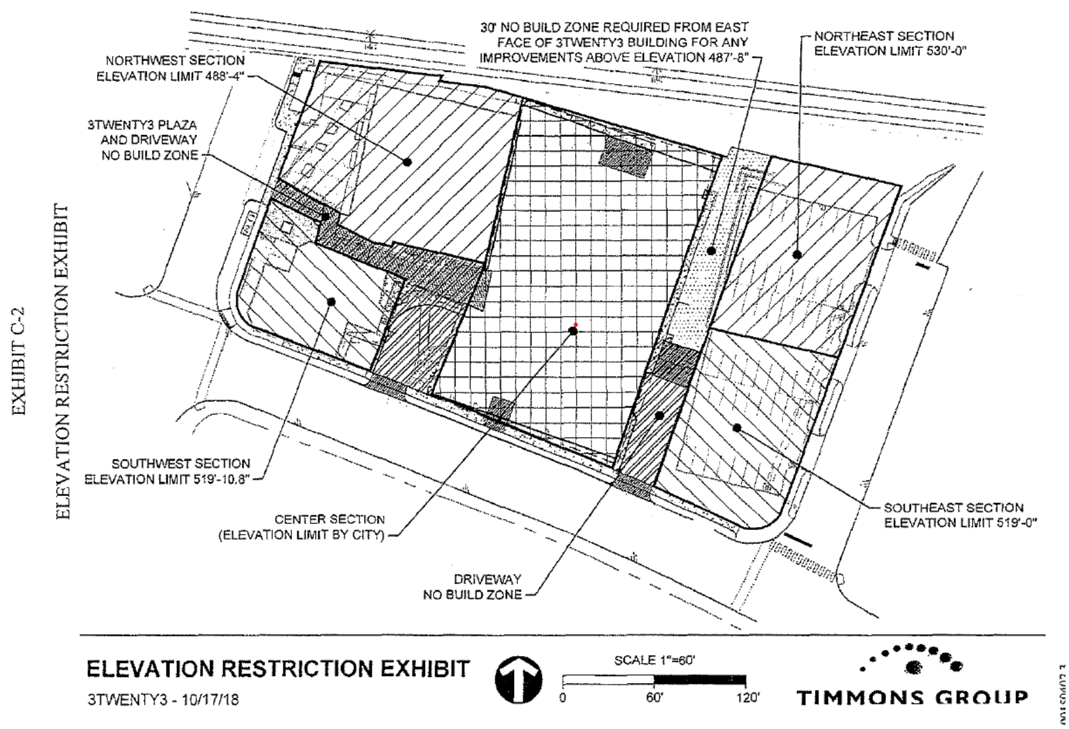
4.7.2026. 3TWENTY3 BUILDING REVIEW OF ROOFTOP EQUIPMENT

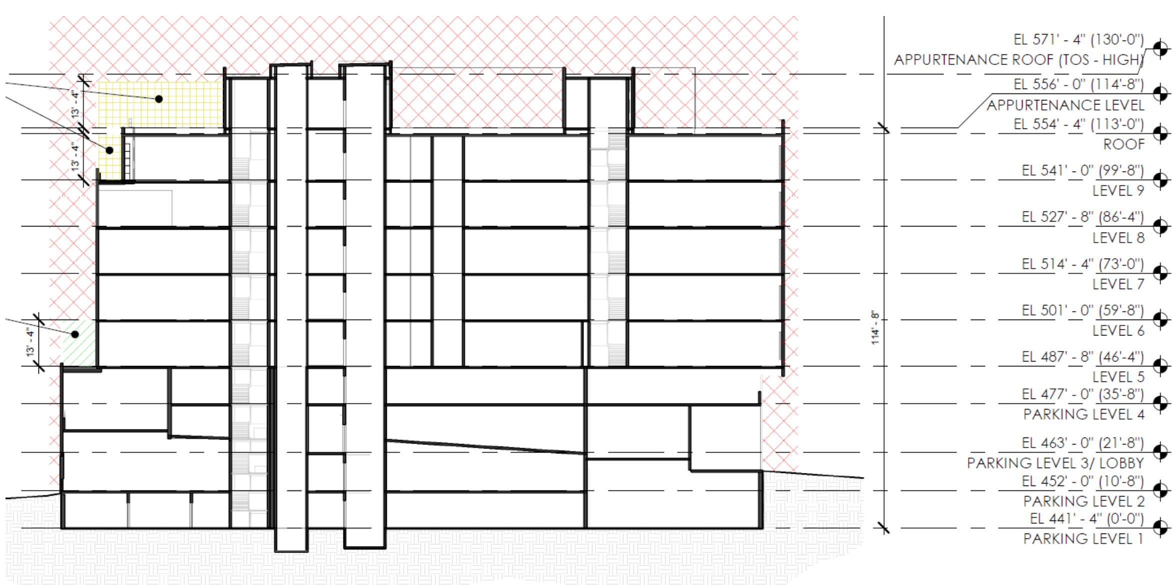


WHITE RECTANGLES REPRESENT NEW EQUIPMENT UNDER CONSIDERATION

GREEN UNITS REPRESENT EXISTING EQUIPMENT

DIMENSIONS ARE APPROXIMATE, FOR DISCUSSION AND REVIEW PURPOSES





Brian Jones

Brian@3twenty3.com

804.874.3919