

PLANNING COMMISSION REGULAR MEETING

April 8, 2025 – 5:30 P.M.

Hybrid Meeting

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

Beginning: 5:00 PM

Location: NDS Conference Room

Members Present: Commissioner Schwarz, Commissioner d’Oronzio, Commissioner Solla-Yates, Commissioner Roettger, Commissioner Stolzenberg, Commissioner Yoder

Staff Present: Patrick Cory, Missy Creasy, Ben Koby, Alex Ikefuna, Anthony Warn, Matt Alfele

Chair Schwarz called the meeting to order and asked if there were any questions concerning the agenda. Commissioner Solla-Yates asked if there had been any communication from HUD concerning funding and it was noted that there has been no communication at this time. Commissioner Stolzenberg asked if the current use at 401 Ridge St was legal, and Mr. Koby provided information. Chair Schwarz noted that the old code had very detailed information for this type of use and this code is not as detailed. He asked if there was a commercial kitchen, and it was noted that there is not. Mr. Alfele provided background on the categories from the previous code. Commissioner Stolzenberg asked if conditions could be provided, and it was noted they could. It was noted that there will be a May work session but one is not scheduled for April.

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

Beginning: 5:30 PM

Location: City Hall Chambers

A. COMMISSIONERS’ REPORTS

Commissioner Stolzenberg – I only had 1 meeting this month. It was LUPEC. We had a presentation from CAT on the growth of micro-CAT. It sounds like it has gotten busy but expensive. It is about \$16 per ride. We got an update on plans for how CAT itself functions for a fixed route. We also got a presentation from UVA on the Ivy Corridor housing project. They have some good-looking buildings coming up over there. It sounds like they have paused the planning on capital projects until things ‘shake out’ with the federal government. That will hopefully move forward. We will add several hundred beds over on Ivy across from 2117 Ivy. An interesting part of that discussion is that they are in discussions with VDOT about how to facilitate pedestrian access across the bridge there. They are hoping to widen the sidewalk on the bridge. They are providing a large sidewalk and pedestrian plaza at the corner of Ivy and Copley for the crowds that walk from the parking at JPJ to the football stadium and during big events. Unfortunately, in the end, they would have liked to have added a sidewalk on the west side of the street. Council granted a sidewalk waiver to 2117 under the impression that you could never add a sidewalk on the west side of the bridge because VDOT would not go for it, or the bridge could not be modified. Since there were no plans to continue the sidewalk, why not give them the waiver.

Commissioner Schwarz – From the March BAR meeting, we had 2 items. It was basically a work session. We had an update for 1000 Wertland. They explained that they are ‘in a box.’ They have submitted for their tax credits. They cannot change their unit count or square footages. Anything that they do to appease the BAR will have to be in that tightly constrained box. We will continue working with them. We had a work session on procedure and our bylaws.

Commissioner Solla-Yates – No Report

Commissioner d’Oronzio – The HAC is looking at the Landlord Risk Reduction Fund Plan, which involves providing 2 perspective landlords for people with Section 8 vouchers. In lieu of deposit, they would have essentially a guarantee from the city as to wear, tear, and damage. The thought would be that this would reduce barriers and provide a degree of certainty and against an attack on the stigma of subsidized housing tenants. This is on a larger scale that we branch that out into a landlord-tenant discussion. We have a lot of little programs about eviction prevention that are siloed in the nonprofit world, church world, etc. There is this generalized need to pull all that together and see if the city can provide a unifying program or a unified funding source to simplify and reduce duplication of effort. That is ongoing. The CDBG Task Force met and made recommendations. We will shortly have more on that.

Commissioner Roettger – Last week, the Tree Commission met. We have a new chair and vice-chair and a couple new members. I am always impressed with the depth of knowledge all these people bring to that. They have some different committees on education, advocacy, and other areas. The committee that I joined is the codes committee. There has been some discussion about maybe having a work session in the future since there is a lot of talk about critical slope, flood plains, and how to better protect them. It seems like there is some overlap. It was approved for them to get a second urban forester; one that was going to be working more with development and private land as opposed to the current forester, who is working on public land.

Commissioner Yoder – No Report

B. UNIVERSITY REPORT

Commissioner Joy – No Report

C. CHAIR’S REPORT

Chairman Mitchell – No Report

D. DEPARTMENT OF NDS

Missy Creasy, Deputy Director – We will not have an April work session. We are prepping for a May work session. We do not have too much lined up for a May regular meeting at this time. That could change. We will let you know how that is going.

E. MATTERS TO BE PRESENTED BY THE PUBLIC NOT ON THE FORMAL AGENDA

No Public Comments

F. CONSENT AGENDA

1. Minutes – February 25, 2025 – Special Meeting

Motion to approve – Commissioner d’Oronzio – Second by Commissioner Solla-Yates – Motion passes 5-0 with an abstention (Commissioner Solla-Yates).

Meeting was recessed until the beginning of the public hearings at 6:00 PM.

III. PLANNING COMMISSION PUBLIC HEARINGS

Continuing: Until all public hearings are complete

Format: (i) Staff Report, (ii) Applicant, (iii) Hearing, (iv) Discussion and Motion

1. **Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) Funding: Draft Program Year 2025-26 Annual Action Plan.** The Planning Commission will be considering projects to be undertaken as part of the proposed Program Year 2025-26 Annual Action Plan (PY25) for the CDBG and HOME programs. Staff from the Office of Community Solutions (OCS) and the Thomas Jefferson Planning District Commission (TJPDC) will be presenting funding recommendations for activities designed to address a wide range of community development goals, including economic and workforce development, public service projects that benefit low- and moderate-income citizens, improvements to public facilities and infrastructure, and fair and affordable housing. The United States Department of Housing and Urban Development (HUD) has not yet informed the City of new funding to be made available for these programs but based on Program Year 2024-25 funding, the City anticipates approximately \$400,000 in HUD funds for CDBG and approximately \$98,000 for HOME. A 30-day period for public comment will commence on May 1 and run through June 1, 2025. The draft Annual Action Plan is also scheduled to be presented at public hearings before City Council on Monday, April 21 and Monday, May 5, 2025. Members of the public are invited to provide written comment on the proposed PY25 Annual Action Plan in writing to CDBG/HOME Taskforce, City of Charlottesville City Hall, P.O. Box 911, Charlottesville, Virginia 22902 or via email to warna@charlottesville.gov.

i. **Staff Report**

Anthony Warn, Office of Community Solutions – We have before you a slate of recommendations. By way of background, we have not received notice from HUD of any funds that we will be receiving this year. It could happen anytime between tomorrow and June. That will explain a little of the background of some of the slides. Some more background, the city is an entitlement community as designated by HUD. We receive community development block grant funds directly based on population and demographic characteristics of the city. We receive Home Investment Partnership funds for affordable housing activities on behalf of a consortium that involves the city of Charlottesville and the counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson. We work together as a consortium. The consortium is managed on our behalf by the staff at the Thomas Jefferson Planning District Commission. They manage the allocation of funds and direct supervision of programs. The city of Charlottesville retains the right to any or all Home funded activities within the city of Charlottesville with our portion of the shared funds. That is reflected in our recommendations.

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HUD funds are provided to jurisdictions on behalf of the people of Charlottesville by HUD to meet three primary HUD national objectives, regardless of what program they are.

- Provide most of the benefits by statute. It is supposed to be 70 percent or more of the benefits accrued directly to people of low and moderate income.
- Aid in the prevention and elimination of slums or blight-programs developed in the late 60s. The language reflects that.
- Meet a need having a particular urgency.

There is some opportunity to respond to direct needs. The city largely focuses on affordable housing, economic development, and ‘public services activities.’ We do some funding for ‘public facilities and infrastructure projects.’ If anybody went to the opening of the Beacon Commercial Kitchen this weekend, it was a wonderful event. They ran into unexpected hurdles with some of their connections to the municipal sewer, water, and gas lines. It resulted in a funding gap. It would have slowed down construction. Since we had this money and this opportunity, we were able to jump in and provide some funds to help them bridge that gap. Construction of the connecting lines did not even have to stop. The contractor was able to bring in the larger lines and the larger

connectors and continue with the pace of construction. A large part of our work is aimed at providing decent and affordable housing either through the acquisition of land, rehabilitation of home ownership for low- and moderate-income families or rental units or the construction of new units for these purposes. The HOME funds are typically less than \$100,000. They do not fund particular activities. They are mainly offered by the city to provide gap funding for projects that are already in development and need a little more help to finish.

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HUD has a wide variety of regulations to try to make sure that these projects and activities occur honestly, faithfully, and in good time. With those, the City Council publishes a resolution every year outlining some of the priorities that they would like to see happen. That guides the work of the CDBG and HOME Task Force. If members of the public want to be involved and help guide these priorities, they can reach out to me. We are hopefully going to be developing a new slate of Council priorities.

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With the CDBG activities, HUD has a variety of categories that these activities fall in. If an activity does not fall into one of these code categories, it probably is not fundable through CDBG. Because the city focuses some degree on economic development, but they prioritize housing activities and what are ‘public services activities.’ Why that is important is because HUD has a limit set in place. It is in the code of federal regulations as federal law limiting spending of more than 15 percent of an annual allocation on ‘public services activities.’ Unfortunately for members of the CDBG Task Force, that is where most of the applications typically fall. That presents the CDBG Task Force with a considerable challenge trying to ‘circle that square.’

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HOME is less defined in some ways and considerably more defined in other ways. Both programs are defined through federal law. I included this slide to show that most of the focus is on homeowner rehabilitation, which we do through partnerships with groups like AHIP and LEAP rental housing acquisition, construction, or rehabilitation. The city has been very involved in that lately. With home buyer acquisition or new construction, the city has been very involved in that. With tenant based rental assistance, it is harder to sometime fund. The pot of money for HOME is not very large. That is very short-term assistance. I believe that it is no more than 3 months and at a nominal rate. In no way could it address, even if we gave all our HOME funds, the crisis that we have in looming evictions.

Next Slide

This slide presents an overview of the applications that we received broken down into their appropriate HUD categories. Because we have not received notice from HUD, we must use the numbers from last year. We start with the numbers that we have already received. We make the notice of funding availability. We receive the applications, break them down into the categories. There were 2 applications for Economic Development Activities, one for Public Facilities, and most of the funding requests came through public service programs. There was one application that they considered affordable housing. The 3 applications at the bottom are for the HOME investment partnerships. I would like to include a category total of the actual requests so that people can see. In the second box at the top, programmatic and funding are set aside. If we were to receive the CDBG funding that we received last year (\$438,617), 15 percent of that would be \$65,792. We cannot allocate any more than that to the public services programs. You can see that the request came in at \$368,236. There is a huge gap between the need and the available funds.

That was the overview of the applications received.

Commissioner Roettger – With the sorting of the applications, does the applicant get to state what category they would like to be in? How do those get sorted? I feel that there is a lot of wiggle room.

Mr. Warn – Before an entity or individual is allowed to submit an application, they must go through a mandatory pre-application workshop. I take them through the different categories, the kind of activities for each. They are given an opportunity to identify where they think they fall. It is my job, as the liaison to the task force, to go through and double-check that with the HUD guidance. There was an application submitted under the Affordable Housing category for an eviction diversion program. I initially grouped that under affordable housing. I am relatively new at this. I have never done that before. I checked the HUD guidance. Even though eviction diversion is about housing and preserving affordable housing opportunities, HUD is clear that it is a public service activity. They call it a subsistence benefit activity. It is supposed to be limited to no more than 3 months and a very nominal rate. The initial list was resorted to put that under public services. We work closely with the HUD staff in Richmond to finalize these and make sure things work.

If you look up CDBG matrix codes, you will either get a short 2-page list or a 35-page document with all the categories. It will tell you, if you are trying to build affordable rental for unhoused populations, to use a specific code. If you are trying to do it for people with disabilities, use another code.

Ms. Creasy – It ends up being what the use of the funds is for. If the funds end up being used for salary for someone to implement a program, that ends up in public service even though the program would fit in a different category. There are detailed rules.

Mr. Warn – The initial sheet is what I presented after we received all the applications. This is a sheet that was provided to the members of the CDBG and HOME Task Force. I answer any questions. If they have questions for applicants, my job is to go to the applicants and ask those questions of the applicants. I report back. I sit back and let them discuss how to maximize and allocate these limited funds.

Commissioner Stolzenberg – With not hearing from HUD, how unusual is it that we have not heard from HUD at this point?

Mr. Warn – Last year we had not heard at this point. I believe that the year before we had heard. That is increasingly more likely. The funding comes from Congress. It apportioned out through the funding process. It then goes to HUD and broken down.

Commissioner d’Oronzio – Two years ago, we had a budget last year where we were operating under a continuing resolution.

Commissioner Stotlzenberg – It is not alarming that we have not heard at this point.

Mr. Warn – That question comes up a lot. Nobody outside of HUD national leadership or the White House has any idea about where these funding levels are going come from until there is a large national press conference and an announcement at the White House between HUD national leadership, congressional leadership, and the President. It happened late last year. There is no indication of when or if that will happen this year.

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How do we handle that? We start by using the numbers that we received last year. The language that goes before Council allows it to be prorated if the amount goes up or if the amount goes down. If the amount goes up significantly, we are supposed to go back before Council and give them an opportunity to find a new activity or go back to some of the programs that were not recommended for funding. After going through all the applications and reviewing the evaluation criteria that have been established, the members of the Task Force try to figure out where to take a small amount of money so we can maximize the benefit for the people of Charlottesville who need it the most. They come up with some initial funding recommendations, we bring them to you, give it an opportunity to get it out before the members of the public.

This is the recommended funding. With economic development, it was relatively easy to look at those. With public facilities, Arc of the Piedmont has been funded several times in the past to do infrastructure projects for the Shamrock Group Home. The clients are very much in need. The hardest part becomes the public service activities because there is a huge delta between what we are allowed to spend and what there is. That is the only reason why there are most of those activities were not funded. None of the three that were recommended for funding received their full requested funds. That category took up the largest portion of the discussion of the Task Force.

Commissioner d’Oronzio – Between Council priorities and the HUD codes and CAP, there is a ‘box’ that we are functioning in. Under economic development, City Council says to spend \$90,000 on that. We had \$75,000 worth of applicants. We did not have any tough decisions to make. The only question was whether these are reasonably good applications. It was the same thing with the public facilities and infrastructure where we had the room to do that. When you got down to the affordable housing piece, that is not one of the Council priorities. The problem is with the public services activities. There is no money.

Mr. Warn – It is a difficult challenge.

Commissioner d’Oronzio – I would like to point out that we have an eviction diversion program that was suggested. We have the financial capabilities from the IRC. The IRC has an eviction diversion element to it. That is a thing that a lot of the services, a lot of people are looking for, which is why the HAC going back to that.

Mr. Warn – It was a difficult conversation because some of these programs were funded through CDBG last year. The question was: If we fund them last year but don’t fund them this year, what is the impact? It was a torturous conversation. The PACEM shelter transportation uses CAT micro-transit in some cases to move people transitioning from being unhoused to their employment opportunities and back to a safe shelter. It has been incredibly successful. They would do much more this year if they were funded. It was a small pot of money and some worthy activities.

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How do we work? In some localities, they wait until they get that public announcement/press conference of how much money comes in. They then begin their work of funding and recommending. HUD has a due date by, which this plan is due. They also have a provision that it is no later than 60 days after they make the announcement, even if you were supposed to turn it in before. If they make the announcement late, you have an additional 60 days. That is not a lot of time go through all the public hearings. In many cases, that means the localities are not in place to give money to their awardees to start on July 1st at the start of the program year. When I took the job, I tried to figure out how we do this. This slide tries to address it. It takes the funding recommendations, divide them by the total allocation involved, and come up with a precise decimal value. There are 8 or 9 decimal points on the slide. On the spreadsheet in some cases, it goes much further. Each one has a decimal value that represents the recommended funding level. I copied that slide over and reversed the math. The funding recommendation is a multiple. That \$438,617 becomes an input field. If update that new number, the decimal value will be used to convert that.

There is a small amount of money that is being left to Council to give guidance as to what to do, how to address that. There is a little bit of a delta between what we were awarded last year and the total funding recommendations if you add them up. If the Task Force had their choice, they would have used that money to fund some of the other public service activities. There was some discussion around affordable housing activities. That is something that money could go to.

ii. Public Hearing

No Public Comments

iii. Discussion and Motion

Commissioner Stolzenberg – I was noticing for the CRHA economic opportunities (1), a portion of the funds was going to the salaries. That is assuming why it had to go in public service. There was \$15,000 of that was barrier assistance for people doing workforce development and incentives for participants. If we were to ignore the salary part, could you put the rest of it into economic development and fund that portion?

Mr. Warn – My initial inclination would be that would be difficult to do incentives for participation in certain activities. It is not an eligible activity. There has been discussion before of using the funds to pay for childcare, vouchers, or gift cards. Those are wonderful ideas, and all should be supported but ineligible activities per HUD. That might be an interesting thing to investigate. We should have as few barriers to public participation in these programs as possible. There were reasons why HUD had put those in place. I will follow up on that question.

Commissioner Roettger – It seems like you had to wrestle with the public services category. In hearing the detailed rules, I understand that more. It seems like everything was done as well as possible.

Mr. Warn – That is a great suggestion. Part of the confusion this year has been that in the past the city has used CDBG funds to fund an eviction diversion program through CRHA. The problem with that it used CDBG Covid relief funds that were initially awarded in 2020. I believe the program was funded in 2023. The Covid relief money was specifically authorized by Congress to not have that public services cap. It was supposed to be public services money to get out the door as quickly as possible. It was entirely possible for a locality like us to use 100 percent of that CDBG-CV money for public services activities, which the city did. They gave a lot of money to CRHA, funded smoke alarms in some of the public housing through the Fire Department. The CIC was given a money to give micro-assistance to small businesses to help them survive. That did not have the cap. We have spent that money. The cap now applies to anything going forward.

Commissioner d'Oronzio – The Task Force is still undermanned. Some of these geographic spots like Rose Hill and Belmont get a spot. Some of the spots are still vacant. There should be a point where we sit down. Those delineations and decisions were made in the past. The shape of the city and those neighborhoods has changed. We may want to relook at how that whole thing is organized.

Commissioner Stolzenberg – Is there a rule that they must not work for a nonprofit that applies?

Mr. Warn – It is anybody affiliated with a nonprofit organization/community benefit organization. If their organization was to apply for funding, they would have to recuse themselves from any discussion or consideration of that. There is also a firm residency requirement of living within the city. Council does a light review of the application. There is no citizenship requirement.

Commissioner Stolzenberg – I noticed that we had several housing applications for HOME, which we had a limited amount of money for. If there is leftover money on the CDBG side, is it possible to convert those applications to CDBG?

Mr. Warn – Yes. HUD is very precise about certain things. They want to make sure that we follow the process and have local public hearings before a locally elected board. That is one of the discussions right now. If any unspent money can help along an affordable housing project, there is an ongoing discussion right now with the groups to figure out what is ready to go. We have a timeliness concern and what project will provide the biggest

impact. The 2 projects that were funded for HOME could benefit from those. They are both rehabilitation of existing projects into affordable rental units.

Motion to Approve – Commissioner Stolzenberg – I move that the Planning Commission approve the program year 2025-26 CDBG & HOME Annual Action Plan presented here before us today and to recommend that staff present this plan to the City Council for public review as scheduled. Second by Commissioner Solla-Yates. Motion passes 6-0.

2. PL-25-0027 – 401 Ridge St - Special Use Permit – The applicant, Andrew Jenkins, is requesting a Special Use Permit (SUP) pursuant to Sections 34-5.2.1.D. General Public Notice and Hearing Requirements, 34-5.2.14. Special Use Permit, 34-3.2.2 Permitted Use Table, and 34- 3.3.4.C.1. Commercial Uses of the Development Code of the City of Charlottesville (“Code”) for the following property (“Property”): Parcel Number: 290132000, 401 Ridge Street, Charlottesville, VA, 22902

The purpose of this SUP is for General Lodging (up to 10 guests) in an R-C zoning district for a Bed and Breakfast. The Bed and Breakfast will have a total of five bedrooms and no exterior changes are being proposed as part of this application. The property is approximately 0.31 acres with road frontage along Ridge Street and side street frontage along Dice Street. The Comprehensive Land Use Map designates this parcel as Medium Intensity Residential. The property is zoned Residential C (R-C) with an Architectural Design Control District overlay. Information pertaining to this application may be viewed online at <https://www.charlottesville.gov/1077/Agendas-Minutes> (available online at least five days prior to the Public Hearing) or obtained from the Department of Neighborhood Development Services, 2nd Floor of City Hall, 610 East Main Street. Persons interested in this SUP request may contact NDS Planner Ben Koby by e-mail (kobyb@charlottesville.gov) or by telephone (434-970-3529).

i. Staff Report

Ben Koby, City Planner – Before you tonight is PL-25-0027, which is at 401 Ridge Street, a special use permit evaluation for a general commercial lodging application. It is zoned R-C. In the R-C zoning district, a general commercial lodging use of up to 10 guest rooms is permitted with a special use permit application approval from City Council. We are here to evaluate that today. Under the Future Land Use Map, it is designated as a medium intensity residential use. Under the new zoning ordinance, a general commercial lodging is allowable given a set of circumstances or there is a consideration set outlined in the development code going along the lines of whether the proposed use will be harmonious with existing patterns of use, whether the proposed use and associated public facilities will substantially conform to the Comprehensive Plan, and the proposed use will consider whether it will have potential adverse impacts on the surrounding neighborhood, and whether there are any relevant conditions that could be imposed upon the SUP to bring it in line to be harmonious with the area or to reduce any potential impacts. As outlined in the staff report, during our considerations, we have not seen any issues given that consideration set. The applicant held a community meeting this morning. Two individuals were in attendance. They were in support of the application. There was a discussion of some traffic concerns in the area. Staff believes that to be a bigger issue than this commercial lodging use. We are recommending approval of this application with no conditions.

ii. Applicant Presentation

No Applicant Presentation

iii. Public Hearing

No Public Comments

iv. Commission Discussion and Motion

Commissioner Stolzenberg – It is nice to have a real special use permit application that is a special use. We are finally returning the process to what it was meant to be. In this case, this use in this location seems perfectly appropriate. I am supportive of the application.

Commissioner d’Oronzio – This has been a commercial building on-and-off for the last 28 years. I understand that this has been a de facto bed and breakfast. The traffic impact is already impacted. The use is already being used. I don’t have any objections.

Commissioner Solla-Yates – I support this.

Commissioner Yoder – I also support it.

Commissioner Roettger – I support this.

Commissioner Schwarz – I want to add that we are approving the use, which is up to 10 units of guest rooms. I understand that the BAR would review this if they were to add 5 more guest rooms to the site. Even with that understanding, I would support this. That parking lot could become 5 more guest rooms.

Motion to Approve – Commissioner Stolzenberg – I move to recommend approval of this application for a Special Use Permit in the Residential C (R-C) zone at 401 Ridge Street to permit a Commercial General Lodging (up to 10 guest rooms) for the use of a Bed and Breakfast with the following condition:

- A. In the event that any Site Modifications, as outlined in the City’s Development Code, are made to the Subject Property, compliance with Use Standards under section 34-3.4.4 are required as part of the proposed site changes.

Second by Commissioner d’Oronzio. Motion passes 6-0.

Commissioner Solla-Yates had a question about whether the Fire Department had a program for sprinkler installation. Staff is going to investigate this question.

Commissioner Stolzenberg would like to know from staff how many legacy projects from the old zoning code are still on track for approval this July. Many of these legacy projects are close to being finished. Staff will get back to the Planning Commission with that information.

IV. PLANNING COMMISSION ACTION ITEMS

Continuing: until all public hearings and action items are completed.

V. ADJOURNMENT

The Meeting was adjourned at 6:45 PM