

Richmond 300: Code Refresh Advisory Council Meeting Notes

Date: October 9, 2024, 4 P.M.
Location: Plan RVA Board Room
424 Hull Street, Suite 300
Microsoft Teams (<https://bit.ly/CodeRefreshAC>)



DEPARTMENT OF
**PLANNING AND
DEVELOPMENT
REVIEW**

Members Present: Wayne Credle, Bennie Gates, Elizabeth Greenfield, Yanina James, David Johannas, Preston Lloyd, Eric Mai (virtually), Jennifer Mullen, Casey Overton, Michelle Parrish, Damian Pitt, Charlie Wilson

Members Absent: Chenice Brown, Philip Hart, Kendra Norrell, Martiza Pechin, Burt Pinnock, Ellen Robertson, Roger York

CALL TO ORDER

Roll Call

Chair Greenfield called the meeting to order at 4:04 P.M. and called the roll. Ms. Mullen motioned to allow Mr. Mai to participate virtually in the meeting, and Mr. Wilson seconded the motion. After Council vote, the motion passed. A quorum was present.

Chair's Comments

Chair Greenfield thanked everyone for attending. She reminded everyone of the purpose of the Council is to advise the Planning Commission, Department of Planning and Development Review, and the consultant team on the zoning ordinance revision process.

Approval September Meeting Notes

Chair Greenfield noted that that staff amended the minutes to correct the misspelling of a Councilmember's name. Mr. Johannas motioned to approve the September meeting notes as amended, and the motion was seconded by Mr. Pitt. The Council voted to approve the minutes.

PUBLIC COMMENT

Chair Greenfield opened the floor to public comment. Seeing no one requesting to comment, Chair Greenfield closed the public comment period.

ADVISORY COUNCIL ICEBREAKER

Upon recommendation of Dr. Credle, the Council engaged in an icebreaker activity for Councilmembers to become better acquainted with one another and get a better sense of each other's perspectives. The Councilmembers were asked to share their name and briefly describe the neighborhood that they see outside of their house or place of employment in the city. Chair Elizabeth thanked Dr. Credle for recommending this icebreaker activity.

REPORT BACK AND DISCUSSION FROM SEPTEMBER BREAKOUT GROUPS

Council reviewed the responses to the small group activity from the previous meeting in September. A councilmember or staff from each group summarized their responses to the questions.

Chair Greenfield opened the floor to Council discussion. Given his work in Charlottesville before the adoption of their new code, Vice Chair Lloyd urged Council and the consultants to exercise caution in using Charlottesville's affordable housing density rules as a model for Richmond's zoning code. He stated that the Charlottesville approach (before the adoption of their new code) led to downzoning of the city and required residential developers to either go through the mandatory inclusionary process with two options to choose from: 1) include reduced-rent housing units into the development and somehow make up the difference in lost income-generation, or 2) pay your way out of the requirement by contributing funds to the affordable housing trust fund. According to Vice Chair Lloyd, such a legislative process added risk to each project and disincentivized development. Instead, in Richmond, Vice Chair Lloyd stated the zoning code should offer more predictability and more by-right allowance than Charlottesville's code provided. He stated he was not sure how Charlottesville new code addresses these issues. He added that expanding the number of housing vouchers in Richmond is the only way to get to deep affordability and references innovative programs at Virginia Housing.

Dr. Credle stated that it would be helpful to compile all the small group responses and show where the groups aligned and differed in their responses.

Ms. Mullen expressed interest in learning more about how affordable housing gets financed. Knowing many of the factors that go into such developments can help ensure the city's new zoning code is implemented by developers. Vice Chair Lloyd states the City's Affordable Housing Trust Fund Board may have a presentation from their recent retreat that they can share with the Council, and that it may be possible to get a presentation or report from their board. Mr. Mai spoke offered to share material that can provide clarity on this topic. Chair Greenfield stated she would work with staff to get affordable housing discussions and presentations onto the agenda for a future meeting.

Mr. Kevin Vonck, planning director, asked if there was any discussion of manufactured housing during the previous meeting's small group discussions. Ms. Mullen stated that her group briefly discussed design standards for allowing manufactured housing but did not discuss it deeply. Mr. Mai shared that he hopes Council can explore the topic of manufactured housing more. He stated that manufactured home subdivisions are being considered at the state-level.

CONSULTANT PRESENTATION

Mr. Rene Biberstein, project manager from Code Studio, presented virtually. He noted that he, Mr. Colin Scarff (Code Studio), Mr. Carlos Sainz Caccia (Utile), and Mr. Kyle Talente (RKG Associates) were online to answer questions. Mr. Talente introduced himself to the Council, noting he is president of RKG Associates, a real estate, economic development and planning consulting firm headquartered in Arlington, VA. As part of the consultant team, their work includes the financial feasibility studies for proposed zones that may be part of the new code.

Mr. Biberstein began the presentation with a discussion of the Residential areas and reviewed the potential zoning districts, recognizing that today's R-3 zoned areas may undergo the most significant change. For the purposes of economic market analysis, the city was divided into 6 different residential markets so data could be run through a financial feasibility model (which includes factors such as construction costs, price points for ownership housing, and rent levels for multifamily development). Focusing in on the current R-3 zoned areas, the RKG Associates team performed an analysis of proposed zoning district scenarios (Scenario 1 representing RN-2 Base with two single family dwelling units, and Scenario 2 representing RN-2 Bonus with five single family dwelling units). The questions they sought to answer were:

- What would be the likely impact in R-3 zoned areas be, based on the value that new development would potentially create (or not create)?
- If the city makes this zoning change from R-3 to the proposed RN-2 Base and Bonus scenarios, will it create more investment in these areas?

From this analysis, RKG Associates concluded that there would not be a high rate of change in neighborhoods zoned R-3. In other words, they predicted there would not be much uptake in developing

existing lot into higher density. Mr. Scarff reiterated that these conclusions are based on current economic conditions and that there is no way of knowing with certain what the market may look like in the future.

Ms. Mullen asked if the analysis could be run to see what triggers a change in these areas. For example, what number of permitted units (Scenario 3 with Y amount of units) would encourage owners to develop at a higher density and produce an increase rate of annual change? Mr. Talente stated that this sort of study could be run and added to the analysis. Chair Elizabeth agreed that this would be a worthwhile analysis and would like to pursue it.

Regarding new ADUs and duplexes in the R-3 areas, RKG Associates concluded there would likely be more ADU/duplex development in Southside R-3 areas, as the financial feasibility model predicted a higher annual rate of change in those subareas.

Next, RKG Associates looked at financial feasibility of townhouse development and small apartment buildings fronting on major residential streets. Focusing in on the current R-1 zoned areas, the RKG Associates team performed an analysis of proposed zoning district scenarios (Scenario 1 representing RN-3 with ten townhouse units, Scenario 2 representing RN-3 with twenty stacked townhouse units, and Scenario 3 representing RN-3 with a multifamily complex of three 10-unit buildings). RKG Associates concludes that uptake would be higher in subarea 4 along residential major streets. Focusing in on current R-5 zoned areas, RKG Associates concludes that the townhouse scenarios would generate the highest interest for development at higher density, but small multifamily development has significant potential also.

Switching to Neighborhood Mixed Use areas, RKG Associates concluded that annual change toward small apartment development in current R-6 neighborhoods in subareas 1 and 4 (East End and West End) is low. In the current R-43 neighborhoods, RKG concludes there might be a small amount of uptake for developing large multifamily in subarea 6; however, they would like to study this more because the sample size used for this analysis was small. In the current R-63, RKG concludes there might be a similarly small amount of uptake for developing large multifamily. Mr. Biberstein concluded the presentation and yielded back for open Council discussion.

ADVISORY COUNCIL DISCUSSION

Mr. Pitt asked for clarification on whether these scenarios would result in a lot of residential development. Mr. Biberstein stated that some areas would see some change, particularly along major streets in Residential areas. Mr. Pitt stressed that a goal of the zoning rewrite process is accommodate greater population growth by providing lots of housing units, and that the districts should be constructed to produce greater uptake in denser development. Mr. Biberstein agreed, and reminded Council that the discussion thus far has only been on Residential and Neighborhood Mixed Use areas. More opportunity for higher density can be achieved within the other mixed use areas, which are still to be discussed.

Mr. Wilson asked if the analysis takes into account redevelopment of existing structures, or if it just considers vacant lots. Mr. Biberstein says the analysis lumps both considerations together.

Mr. Johannas mentioned the already high amount of incremental, small, homeowner-initiated improvements that are taking place in some neighborhoods through the city and felt that this was not captured in the analysis. He presumed there may be more uptake than the analysis shows. Mr. Biberstein stated the data is aggregated within each subarea, producing an average annual rate of change for a wide-ranging area. There will be some neighborhoods experiencing more change and some neighborhood experiencing very little to no change.

Mr. Johannas reminded the Council that ten units is an arbitrary number that may or may not be viable for developers. He stated that permitting ten units by-right may not be enough to persuade developers to build, because they still may not consider ten units to be financially worthwhile.

Vice Chair Lloyd stated his position that consolidation of the districts is positive because it produces greater understanding and efficiency in the administration of the coding. Understanding that the scenarios do not appear to induce much change in the Residential areas, he viewed this as a positive because it would not introduce chaos within the city's established neighborhoods. A sense of stability would remain, and there would not be an immediate rush to changes these areas.

Regarding duplexes, Mr. Wilson and Ms. James approved of permitting duplexes within the residential zones. Chair Greenfield raised the issue that permitting duplexes has the potential of doubling of density within single family neighborhoods which could be an issues especially in those neighborhoods where parking challenges already exist. She urged Council to remain mindful of this reality since it is heard from the community regularly.

Regarding small multifamily development on major streets in Residential area, Vice Chair Lloyd was hesitant to tie this allowance to bus routes, seeing that the bus routes are not determined by the City and can change/be eliminated over time. Ms. Mullen and Chair Greenfield agreed that there should be no distinction between allowing such development at the corner/intersection versus in the middle of the block.

Ms. Overton stressed that townhomes and small multifamily development are two very different products that appeal to people in differing ways. She also stressed that the market is based on what is currently existing and already present in Richmond, and that we should not rely on this as we work toward creating housing solutions that work for all.

Ms. Mullen noted the need to carefully review the proposed code to ensure that the specific housing uses align with their customary form requirements. For example, if we are promoting "stacked two-over-two townhouses" in one zoning district, then we must make sure the form requirements align so they permit up to 4 stories in height instead of only 3 stories.

Mr. Biberstein stated there is the ability of creating more than one district for the multifamily on major streets in Residential areas to allow for greater gradation and nuance in what is allowed and where.

Regarding Neighborhood Mixed Use area, Chair Greenfield supported a combination of use types. Vice Chair Lloyd stated that certain neighborhoods have de facto rules about what uses are appropriate for their neighborhood and these usually differ across neighborhoods. It will be hard to create a one-size-fits-all approach for every neighborhood. Mr. Johannas states that we should strive for all neighborhoods to contain the neighborhood services and uses, so residents do not have to travel far for basic needs and fun. Mr. Biberstein asked about Council's attitudes towards regulating certain uses and size limits. Ms. Mullen opposed imposing size limits. Ms. James asked if it was possible to regulate the number of uses, in order to promote a diversified commercial environment. Ms. Mullen shared that there is not. Vice Chair Lloyd also stated the zoning code cannot differentiate between big business (national chains) versus independent small business. Ms. Mullen asked if there was any data to show how mixture of uses impacts property values in existing mixed-use areas (compared to residential areas that do not have a mixture of uses). Mr. Biberstein stated the consultants could run some analysis and explore this question more.

WRAP UP AND DISCUSSION OF NEXT STEPS

Mr. Biberstein noted that he will share this presentation with the Council and that Councilmembers are welcome to share comments and questions with staff for forwarding to the consultant team. Regarding next steps, the consultants will present a list of draft zoning districts next month, which will include the districts for the mixed use areas.

Chair Greenfield requested that staff reserve time on November's agenda for more follow-up discussion surrounding the discussion had in the present meeting, as this will give Councilmembers time to review the financial feasibility analysis and other material in more detail.

ADJOURNMENT

The next meeting of the Advisory Council is November 13, 2024, at 4 P.M. at PlanRVA Boardroom (424 Hull St Suite 300, Richmond, VA 23224).

Chair Greenfield adjourned the meeting at 6:00 P.M.