TOWN OF
Blacksburg
VIRGINIA

DEPARTMENT OF
PLANNING AND BUILDING

planningandbuilding@blacksburg.gov

TO: Town Council

FROM: Kinsey O'Shea, AICP, Town Planner, KO

TITLE: RZN19-0002/ORD 1895-Request to rezone 33.871 acres of land formerly known as the Blacksburg High School at 520 Patrick Henry Drive (Tax Map Nos. 227-A 4, 227-A 4C & 227-A 4D) from R-4 Low Density Residential to PR Planned Residential by Jeanne Stosser of SAS Builders (applicant/contract purchaser) and Clint Pendleton of Parker Design Group (applicant's engineer/agent) for David Hagan of HS Development LLC (owner)

DATE: September 20, 2019

The applicant has proffered additional restrictions in the proposed OBHS townhome development. Specifically, the second proffer from the September 12, 2019 proffer statement reads:

> No purpose-built student housing design with four-bedroom four bath parity shall be allowed. Nonetheless, three-bedroom units may be constructed.
>
> A dwelling unit shall not be leased to any applicant under the age of twenty-three (23) years, except that this restriction shall not apply to any family member of the Owner or to members of the military, as defined under the Servicemembers Civil Relief Act ("SCRA"), cited as 50 U.S.C. §§ 3901-4043.

As explained below, this proffer, along with several other HOA provisions, is an attempt to prevent incompatible uses between the planned new townhome residential development and existing adjacent neighborhoods of single-family homes.

The use of single family or multi-family residential units by groups of young adults is a more intense use of property that the typical use or occupancy of single family residential units. This can result incompatible uses with surrounding single-family neighborhoods, with problems such as over-occupancy, parking on the grass, noise, late night activities, trash and litter, and frequent changes in occupancy. Frequent changes in occupants can contribute to the incompatible nature of the use, since new residents may not initially understand community expectations. The adverse effects can be greater when there is a higher concentration of dwellings occupied by younger tenants. Localities, including the Town, find it difficult to administer and enforce Zoning Ordinance occupancy restrictions, given the difficulty of identifying how many occupants may be occupying a dwelling. Residents of existing neighborhoods have expressed concerns about the potential for noise, parties, parking and over occupancy as well as the impact on property values.

The Town has a shortage of housing, as noted in the Town Comprehensive Plan, as well as in the "Strategic Plan for Downtown Blacksburg, VA" and the "Downtown Housing Market Strategy" documents prepared by Development Strategies. Expansions at Virginia Tech are bringing more students, faculty and staff to Blacksburg.

This demand for additional housing has resulted in a number of applications for rezoning requests for existing properties and other types of infill development to allow more intense and denser residential uses and mixed uses. These changes in housing patterns have resulted in concerns from established neighborhoods about the encroachment of new, incompatible uses into the neighborhoods.

The Town Council has, over the past several years, approved a number of rezonings that have permitted denser redevelopment of older student housing in areas where fewer incompatible use issues were likely to result between younger occupants and traditional single family residential neighborhoods. Town Council passed a resolution in February 2019 (2-F-19) that pointed out the large number of student units that have been recently approved, as well as the need for housing for other market segments and the importance of protecting "existing residential neighborhoods from negative impacts of new student-oriented housing." Town Council actions on these applications have included provisions to mitigate the adverse effects of incompatible uses and protect property values of established single family residential properties.

The Town's Comprehensive Plan, in the "Jobs & Housing" section, addresses the challenges in meeting the demand for other types of housing. The Town must plan for the housing demands of a changing and diversifying population, while attempting to encourage affordable workforce housing, along with rental or starter homes for purchase by graduate students and young families, as well as housing with universal design features to allow for aging in place.

At the same time, the Town must consider potential incompatible use issues that may arise through occupancy by groups of young people and other uses that may result from the establishment of more intense new uses, particularly multi-family residential uses near established single-family residential neighborhoods.

The Town regularly receives complaints about noise, over occupancy, parking in the grass and litter complaints in areas of the Town where groups of younger adults occupy housing units in or near single-family residential neighborhoods. These issues are reflected in the Comprehensive Plan's Community Characteristic Principle 2: "Lifestyle conflicts are inherent in a college town where neighborhoods may have a mix of students and non-students." Community Characteristic Principle 2 continues by stating that "students moving into established neighborhoods may have different expectations than neighbors with regard to noise, upkeep, parking and occupancy." This incompatible use issue is not unique to Blacksburg, as one journal notes:

"With students regularly moving off campus to rent houses or apartments in residential neighborhoods, long-term residents and public officials have to deal with an ever-changing array of young neighbors who live very different lives than most of them do. Complaints about raucous behavior, lack of respect and degradation of housing may dominate the agendas of town meetings."[1]

[1]"Bridging Social Divides in College Towns," Scholars Strategy Network, June 8, 2015. https://scholars.org/brief/bridging-social-divides-college-town, citing "Confronting the Challenges of Studentification in Residential Orono Neighborhoods," a University of Maine collaborative project with the Town of Orono, 2014-15. See also "How Are Local Governments Responding to Student Rental Problems in University Towns in the United States, Canada and England," Georgia Journal of International and Comparative Law, Vol. 33:497, 2005.

These concerns about incompatible uses have been discussed in almost every staff report for residential rezonings in recent years. In the staff report for this request, dated June 12, 2019, staff included the following language regarding occupancy and related conflicts:

> Occupancy refers to the total number of people that may inhabit a residential dwelling. Typical occupancy for single-family neighborhoods is a family, plus no more than two individuals unrelated to the family; or no more than three unrelated individuals. The proposed occupancy standard for the development is the same.
>
> Lifestyle conflicts are inherent in college communities where a mix of students and permanent residents live in proximity to one another. Students in town choose to live in all parts of the Town. Some may prefer to live in apartment and townhome complexes where there is a high concentration of other students, and others may prefer to live in a more rural or suburban setting in a single-family home, or in neighborhoods close to downtown. There is always a concern that new multifamily developments will be occupied by students. There is no mechanism to specifically prevent students from occupying any residential dwelling. If this were an affordable housing development, there would be deed restrictions for low- to moderate-income qualification, which many students would not meet. Other methods for restricting undergraduate student occupancy include limiting residents by age-restrictions for residents 55-and older, or by requiring residents to income-qualify without a guarantor.

One anticipated effect of this proffer and the related HOA provisions will be occupancy of the new PR development by long term residents and the mitigation of potential adverse effects near established single-family neighborhoods. The proffer has an exception for members of the military, as well as an exception for family members. According to the applicant's attorney, the exception means that, in the event that an applicant(s) has members of his or her household under the age of 23 who will be living in the leased premises, those household members are exempt from the stated age prohibition.

ATTACHMENTS
Excerpt from Comprehensive Plan Jobs & Housing chapter
Town Council Resolution 2-F-19

HOUSING

The Changing Housing Market

Blacksburg's housing market is dominated by multi-family housing and converted single-family rental houses for undergraduate students. The remaining market for single-family houses is oriented toward higher-end, expensive housing, leaving few options for affordable starter homes. On average, real estate in Blacksburg is often priced higher than elsewhere in the New River Valley, largely due to demand to be located close to Virginia Tech and the Corporate Research Center. Many groups, such as young professionals, young families, married students, and graduate/professional students are forced to find housing in surrounding localities and commute into Blacksburg. Additionally, the market is often challenging for retirees who wish to downsize and to continue living in Blacksburg. Housing and Neighborhood Services has been addressing the issue of affordable workforce housing in Blacksburg, but there are still opportunities to increase the availability of affordable housing for these population segments and the other demographics discussed earlier in this chapter. Although Blacksburg has high development standards to ensure the quality of development, the affordable housing market is not transitioning rapidly enough to meet changing dynamics of the Town's economic development and growing population.

Housing Market Challenges

Enrollment at Virginia Tech has slowly increased but the University is poised for significant growth in the coming years. The availability of on-campus housing for undergraduate students has remained fairly constant, with approximately 9,000 students housed on-campus. The result is an influx of students inundating the local housing market, sometimes adversely impacting traditional owner-occupied neighborhoods, particularly in lower-income areas, which have housed the service sector workforce of the community. Lifestyle conflicts between students and non-students, particularly in neighborhoods immediately surrounding University areas, can create tension. Student demand for off-campus housing also has inflated the cost of available rental property and land values, eliminating much of the affordable housing stock in Town. Other Town concerns regarding off-campus student housing and rental properties include poor property maintenance, absentee landlords and over-occupancy in dwellings. These challenges plague some areas, contributing to deteriorating housing and property conditions, especially noticeable in the Blacksburg Historic District. Demand for off-campus housing also increases demands for and stresses on parking, streets, and utilities. The issues associated with the current and increasing demand for student housing necessitate the exploration and development of new context sensitive strategies in the five-year update to the Comprehensive Plan.

There are homes and condos in the Town that have been purchased or constructed with the intent to be used as second homes or game day accommodations. These homes are vacant the majority of time and do not contribute to the vibrancy of the neighborhood and economic vitality of the Town. In some neighborhoods in the Downtown Area, there is a mixture of residential buildings ranging from single-family homes, student-oriented duplexes and small apartment buildings. This varying mixture can be challenging for neighborhood identity and stability. When infill opportunities arise, it is important that new development supports the character of the neighborhood. The preservation of Blacksburg's neighborhoods can be threatened by new structures that, while technically meeting legal requirements, are out of character with those neighborhoods. When there is new development, the Town encourages that it be in scale and

character with the rest of the neighborhood. In December 2011, the *Town of Blacksburg Residential Infill Development Guidelines* were completed to address this very issue. The Guidelines are discussed in greater detail in the *Future Land Use Chapter*.

Housing Market Opportunities

To be responsive to changing demographics, a greater variety of housing options is needed in Town. There are a number of market segments based on lifestyle, age and/or income for which there is not a sufficient inventory of suitable homes. Meeting the housing needs of these identified populations is discussed below. The ability for the housing market to respond to these and other emerging segments of the population are important components to diversifying the Town's economic base. In particular, the desirability of downtown housing is a topic of interest that required further research.

Housing Study

To quantify the scope of unmet needs and current market demands for housing in Town particularly in the downtown area, the Town of Blacksburg and the Blacksburg Baptist Church jointly commissioned the market and feasibility analysis firm of Development Strategies to develop a downtown housing market strategy. The purpose of this strategy is to better understand what housing demand exists for downtown and the types of products that must be offered to capture this market demand, with a focus on the market for non-undergraduate student housing. The study results will assist in providing future direction to downtown housing development in conjunction with other types of uses. The study considers site context, marketability opportunities and constraints, socio-economic trends and characteristics, the performance of peer cities, competitive supply, and demand and market segmentation; these analyses result in conclusions about future resident characteristics, the products that they will demand, and the likely market performance and rate at which the development can occur. The resulting study will be used as a resource as the Town looks to shape future growth. Observations and data in the study have Town-wide implications beyond the geography of the downtown area. For more information, visit *www.blacksburg.gov/downtownhousingstudy*.

Graduate/Professional Students, Married Student Housing and Young Families

Virginia Tech plans to increase its graduate student body and research staff to help reach the University's goal of becoming a top national research institution. Thus, there are increasing numbers of graduate students, international graduate students, professional students, and post-doctorate researchers living and working in Blacksburg. These groups have different housing needs than undergraduate students. They may have spouses working in the community and young children. Additionally, there are no married student housing options currently provided by Virginia Tech on-campus. In 2011, *Bloomberg Businessweek* named Blacksburg as one of the best places in the United States to raise children, but housing options to rent and purchase starter homes must be available to retain young families in Blacksburg. Since the opening of the US 460 Bypass, many young families, married students, and graduate/professional students are choosing to live in Christiansburg and other surrounding localities where they can find affordable housing options. They commute into Blacksburg, which does not support Blacksburg's sustainability commitment to the environment, the economy, or social equity.

Young Professionals

Increasingly, Virginia Tech graduates desire to remain and work in the New River Valley after graduation. Blacksburg also attracts other young professionals. As employment opportunities in

the region increase for young professionals, and, in particular, in the Corporate Research Center, the unmet housing market demand for affordable living opportunities in and around Downtown will also increase. Young professionals often desire affordable housing options based upon their starting salaries, such as condos to purchase or apartments to rent that provide quick access by means other than the car to work, as well as convenient access to restaurants and retail. Young professionals have different housing needs than the undergraduate population and often do not wish to live in undergraduate-oriented housing.

Affordable Workforce Housing

Affordable workforce housing is for individuals or families who have low to moderate incomes (LMI). They earn no more than 80% of the area median income adjusted according to household sizes. There is a known shortage of affordable workforce housing in Blacksburg. However, this population is eligible for federal assistance from the US Department of Housing and Urban Development that is administered by the Town's Housing and Neighborhood Services Office. Further information is detailed on the following page.

Workforce Housing to Mid-Range

Finding workforce housing, especially for those making 80-120% of the area median income is difficult. Those needing workforce housing could include a nurse at the hospital, an administrative worker at Virginia Tech, or an assembly worker in a local industrial plant. This group exceeds 80% of the area median income and is not eligible for housing programs provided by the Housing and Neighborhood Services office detailed further in the next section. This group works in Blacksburg but can only afford to live in Christiansburg and surrounding areas. Their incomes do not allow purchase of the higher end, single-family housing available in Town. This group finds itself competing for the homes in the same price range as those serving the student rental market in Blacksburg. Thus, there is a shortage of affordable single-family or multifamily homes in Town that can serve as workforce housing. This element of the workforce must then commute to Blacksburg, stretching their limited budgets for gas and not supporting the Town's commitment to sustainability.

Senior Housing Options

In 2011, Blacksburg was ranked as a great place to retire according to *US News and World Report*. Blacksburg is a desirable location for active adults, retirees and senior citizens because of the amenities associated with Virginia Tech, the lower cost of living compared to other major metropolitan areas and the mild climate. However, there is a lack of services and housing options for this segment, including affordable housing options, to serve these growing populations. Universal design living accommodations (entrance, kitchen, living room, bedroom and bathroom) located on a single floor are desirable because they accommodate a variety of ages and physical abilities. Smaller single-floor housing options allow senior citizens to "age in place"; otherwise, renovations and accommodations have to be made within existing homes. They also are suitable for people who wish to downsize from a single-family home. Smaller single-floor, universally designed housing options may be grouped together in an age-restricted community or intermingled throughout Town. Either way, these housing options should be located near public transportation and commercial services. Many retirees are especially interested in Downtown living amenities. As the population continues to age, additional nursing home facilities that provide all levels of medical care will be needed in the New River Valley. To serve the baby boom generation demographic, government and non-profit social service programs and medical services will need to be expanded.

TOWN OF
Blacksburg
a special place

RESOLUTION 2-F-19

A RESOLUTION REGARDING FUTURE DEVELOPMENT OF STUDENT HOUSING IN THE TOWN OF BLACKSBURG

WHEREAS, the undergraduate enrollment at Virginia Tech has been growing and in 2017 the University put forth a specific enrollment expansion goal of 5,000 students over a ten year time span;

WHEREAS, the 2015 Downtown Blacksburg Housing Market Strategy Study and the 2018 Downtown Strategy Study, both prepared for the Town by Development Strategies, identified the impact of the market demand for new upscale student housing on the overall housing market in the Town and included projections on the number of new student housing needed to meet market demand;

WHEREAS, there are approximately 20,192 beds of multi-family housing existing in the Town and the vast majority of that housing is specifically student-oriented housing;

WHEREAS, the Council has made thoughtful decisions in recent years to increase the inventory of student-oriented beds to address Virginia Tech growth;

WHEREAS, 1,584 beds of student-oriented housing have been constructed since 2014 and there are an additional 2,575 beds that have been approved by Council but not yet constructed in the Town;

WHEREAS, Council must consider housing availability for all segments of the community, not just the student population;

WHEREAS, Council must also endeavor to protect existing residential neighborhoods from negative potential impacts of new student-oriented housing;

WHEREAS, the Town has limited land area in its commercial corridors, so that new student housing development in these corridors without significant commercial and office space is harmful to the Town economy in the long term; and

WHEREAS, the public necessity, convenience, general welfare and good zoning practice so require.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Town of Blacksburg:

1. That, based on the foregoing factors, the Town Council has determined that, going forward, it will review student-oriented housing proposals on a case-by-case basis to determine the merits of the proposal, its consistency with the Comprehensive Plan, the guidance from Development Strategies and how the proposal furthers Town housing goals. As part of doing so, the Council will use the following approaches:

    a. Council will consider limited opportunities for some additional student-oriented housing for high quality projects in appropriate locations in the Town; and

    b. Council will encourage redevelopment of older housing units in student-oriented areas of Town where supporting infrastructure is already available and fewer lifestyle conflicts with adjacent neighborhoods are likely to occur.

2. That Town Council offers the following guidance with regard to future student housing development:

    a. Student housing proposals in commercial districts should include significant square footage dedicated to commercial and office uses. In downtown, student housing proposals should be limited to areas specified in the recently completed Downtown Strategic Plan.

    b. Applications for student-oriented housing should be thoughtfully designed and geared specifically to the Blacksburg community while being sensitive to the context of the site and using quality building material to fit in the surrounding areas.

L. Hager-Smith
Mayor

ATTEST:

Donna Boone-Caldwell
Town Clerk

Date of Adoption: February 26, 2019