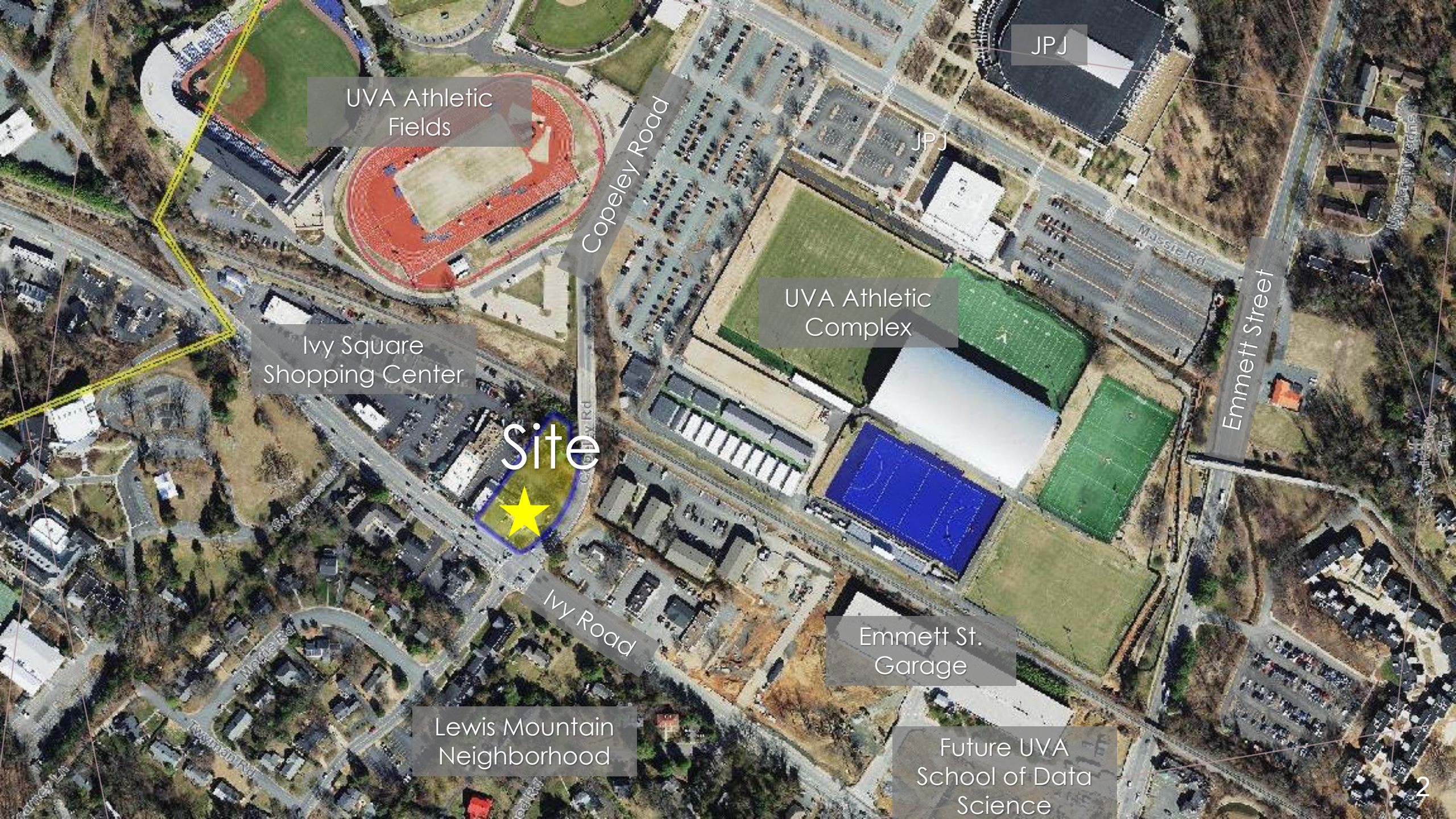
City of Charlottesville
City Council Meeting

Planned Unit Development Rezoning

for ***2117 Ivy Road, Charlottesville, VA***

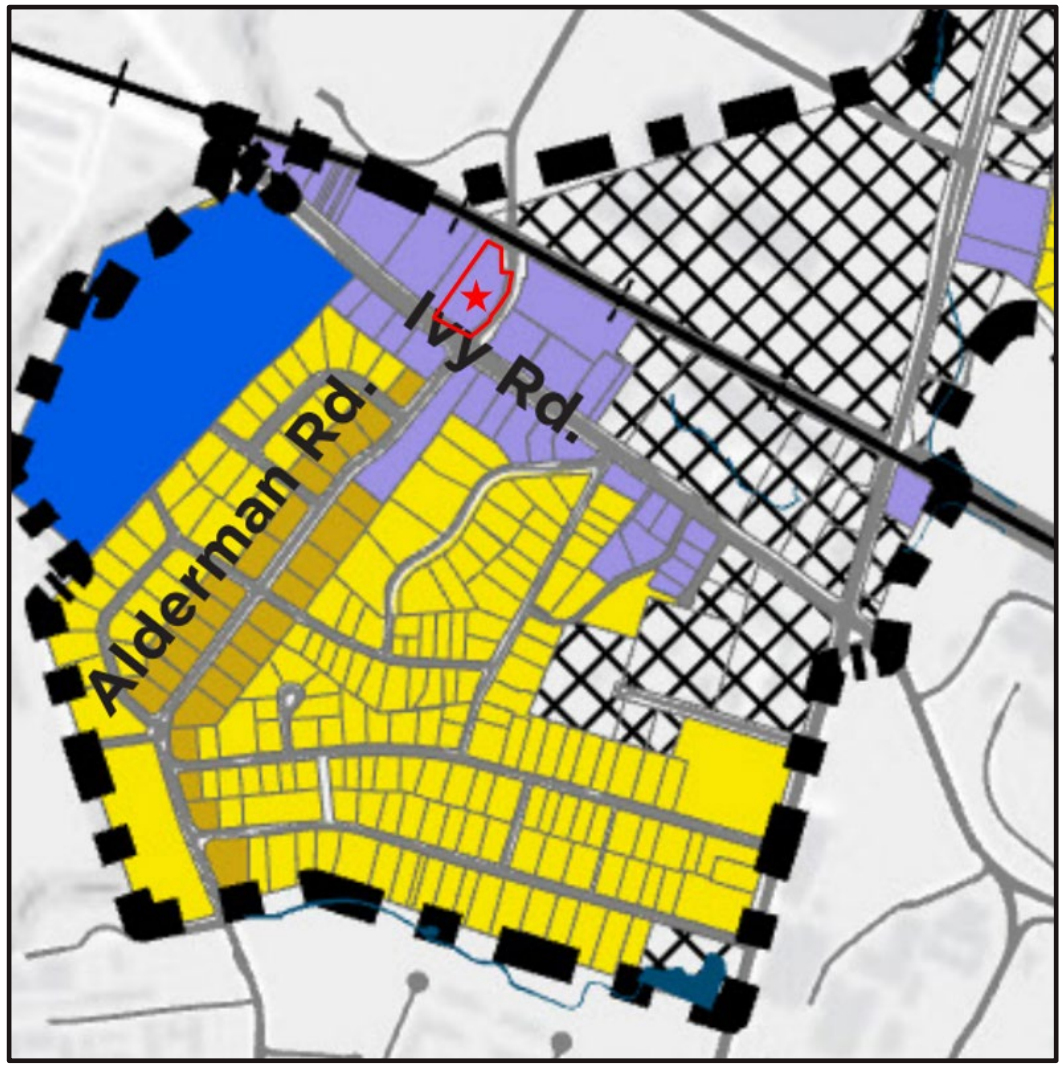
December 4, 2023


UVA Athletic Fields
JPJ
JPJ
Copeley Road
UVA Athletic Complex
Ivy Square Shopping Center
Site
Emmett Street
Ivy Road
Emmett St. Garage
Lewis Mountain Neighborhood
Future UVA School of Data Science

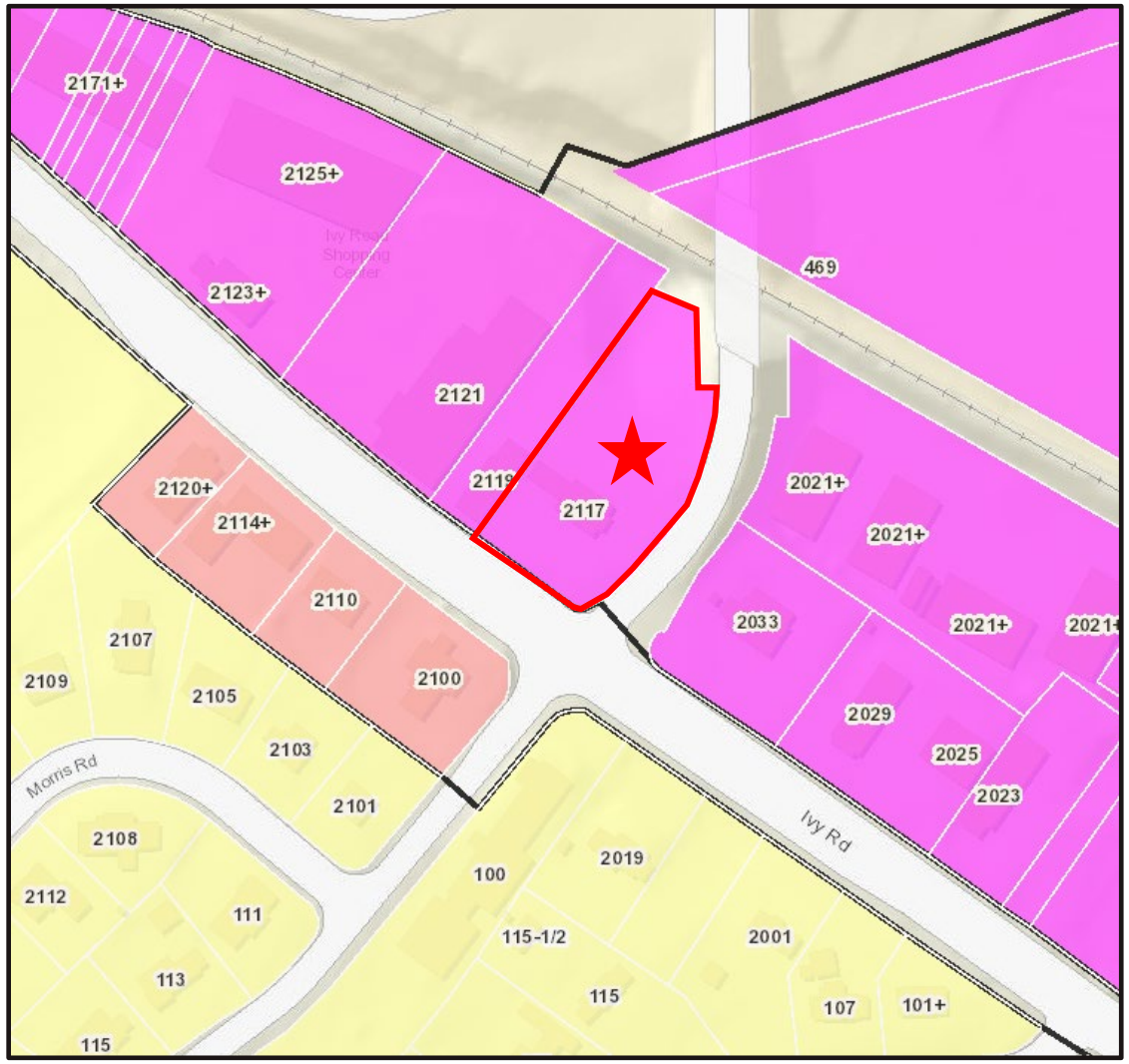
AERIAL VIEW OF SITE AT IVY & COPELEY INTERSECTION

Comprehensive Plan Designation:
Urban Mixed-use Corridor

"Higher Intensity Mixed Use Development Arranged Along Corridors Between Employment, Commercial, And Civic Hubs Of The City"



Existing Zoning District:
Urban Corridor (URB)



PROPOSED PROJECT

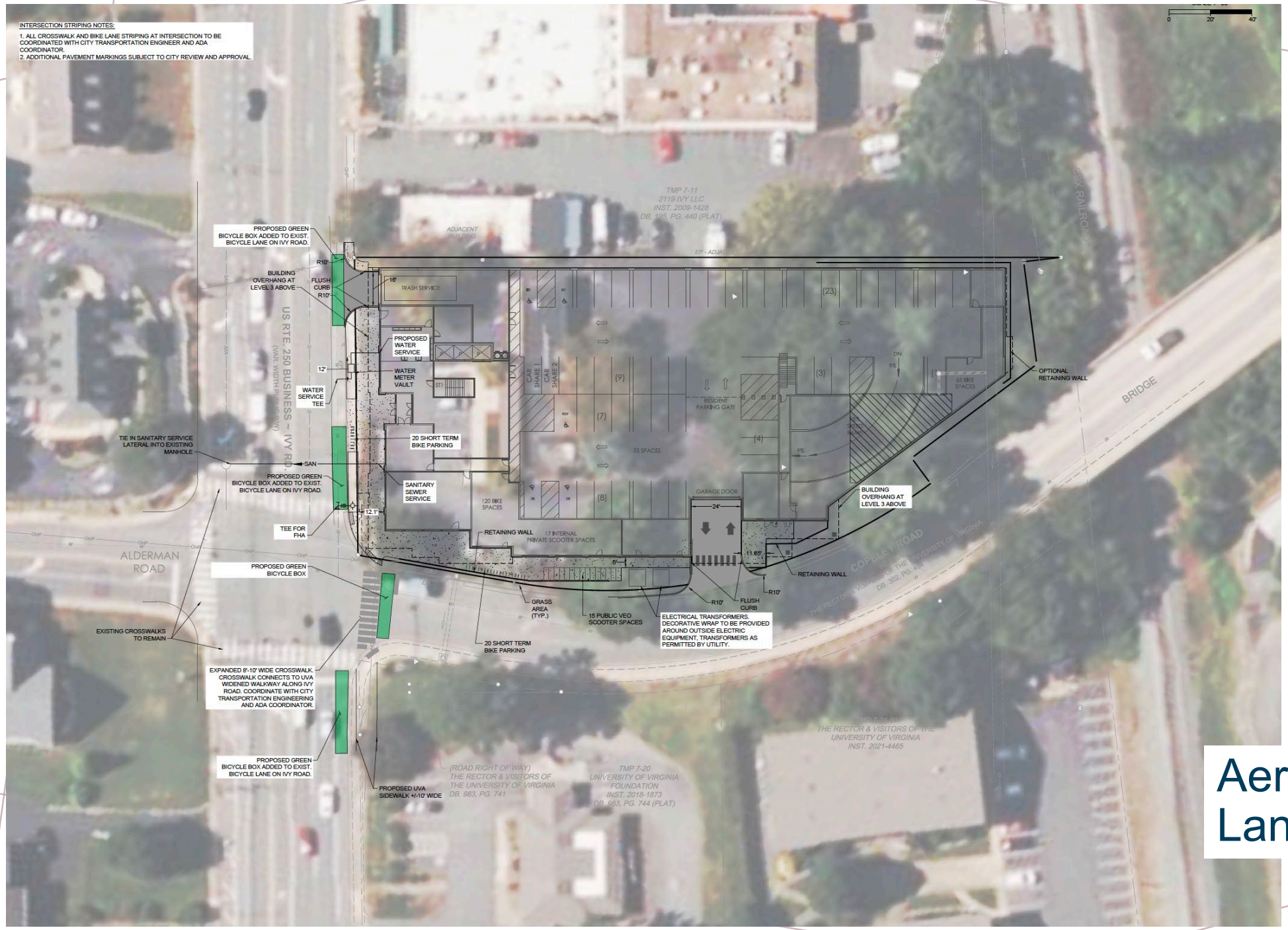
- Rezone from Urban Corridor (URB) to Planned Unit Development (PUD)
  - *Mixed-Use Residential Over Retail-Commercial, 10 Stories*
  - *Cafe & Retail space on Ground Floor*
  - *287 Residential Apartment Units max.*
    - *241 currently shown in PUD Plans*
    - *634-650 residents*
    - *Significant addition to Rental housing in Key location near Grounds, Athletic Complex*
  - *Interior Garage Parking*
  - *Modern Amenities*
  - *Affordable housing Proffer of up to **$2,750,000***
    - *(approx. $11,300+ for 10% of # Units)*

- Enhanced Streetscape
  - *Widened Sidewalk along Ivy Road*
  - *Landscape planters along Ivy Road*
  - *Added Sidewalk along Copeley Road*
- Enhanced Multi-Modal Transportation
  - *Dedicated Area for Public and Private Bikes and Scooters*
    - *267 Long Term Bike Spaces*
    - *28 Short Term Bike Spaces*
    - *32 Scooter Spaces*
- On-site Resident Car Share
- EV electric Car Chargers

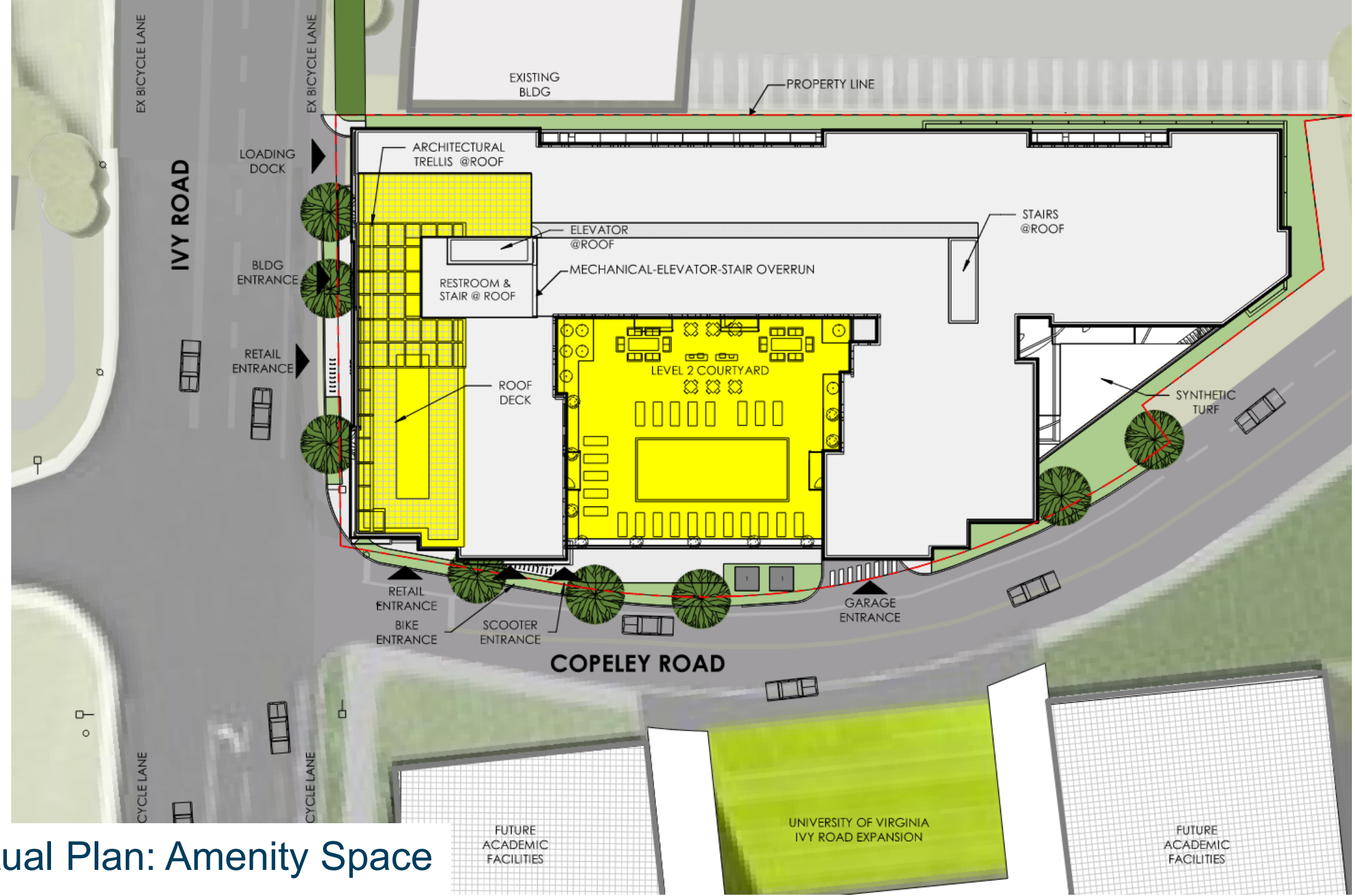
Illustrative Plan

see aerial for precise information

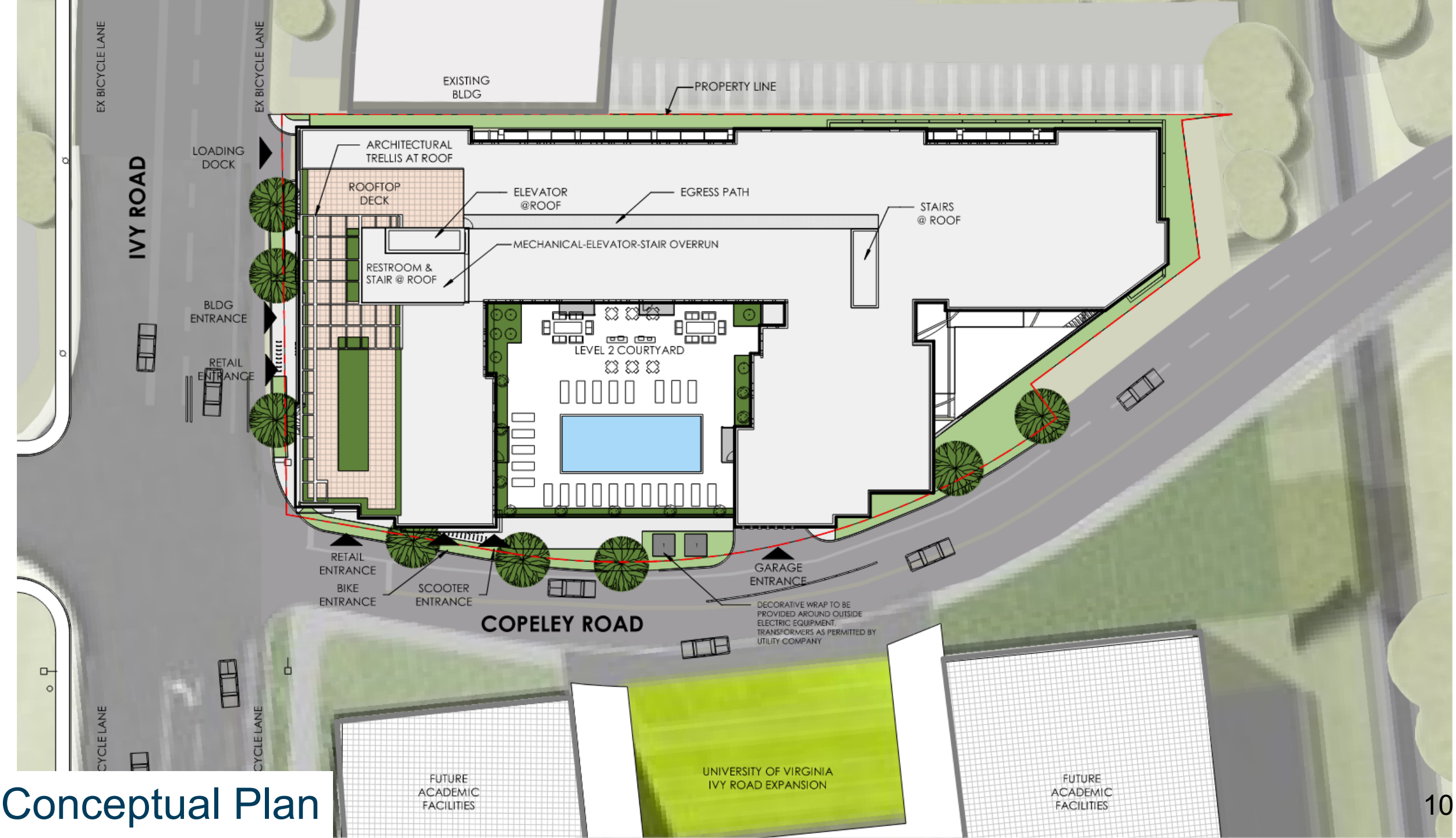
Conceptual Plan: Level 1



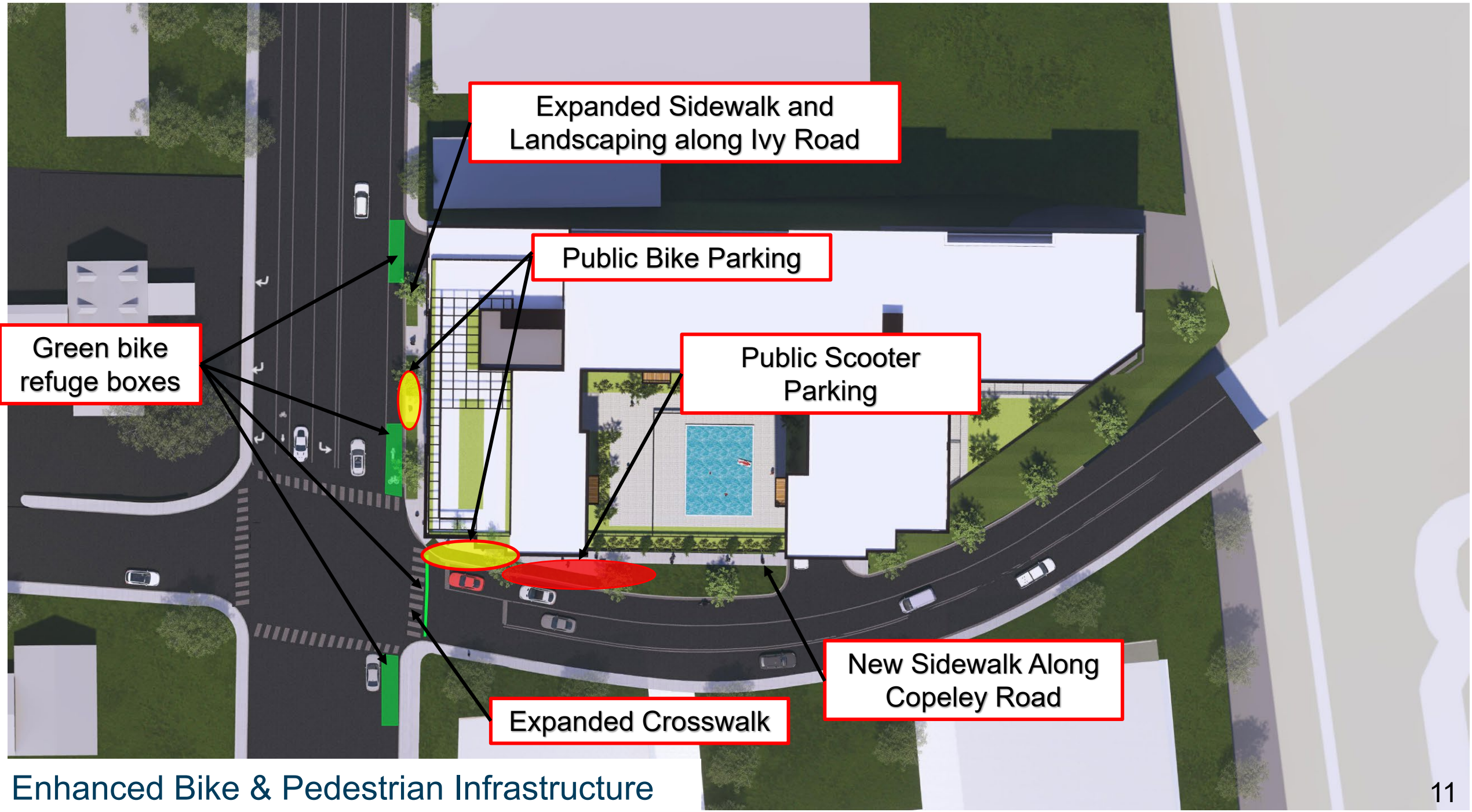
Aerial Road & Bike Lane Striping Exhibit



Conceptual Plan: Amenity Space

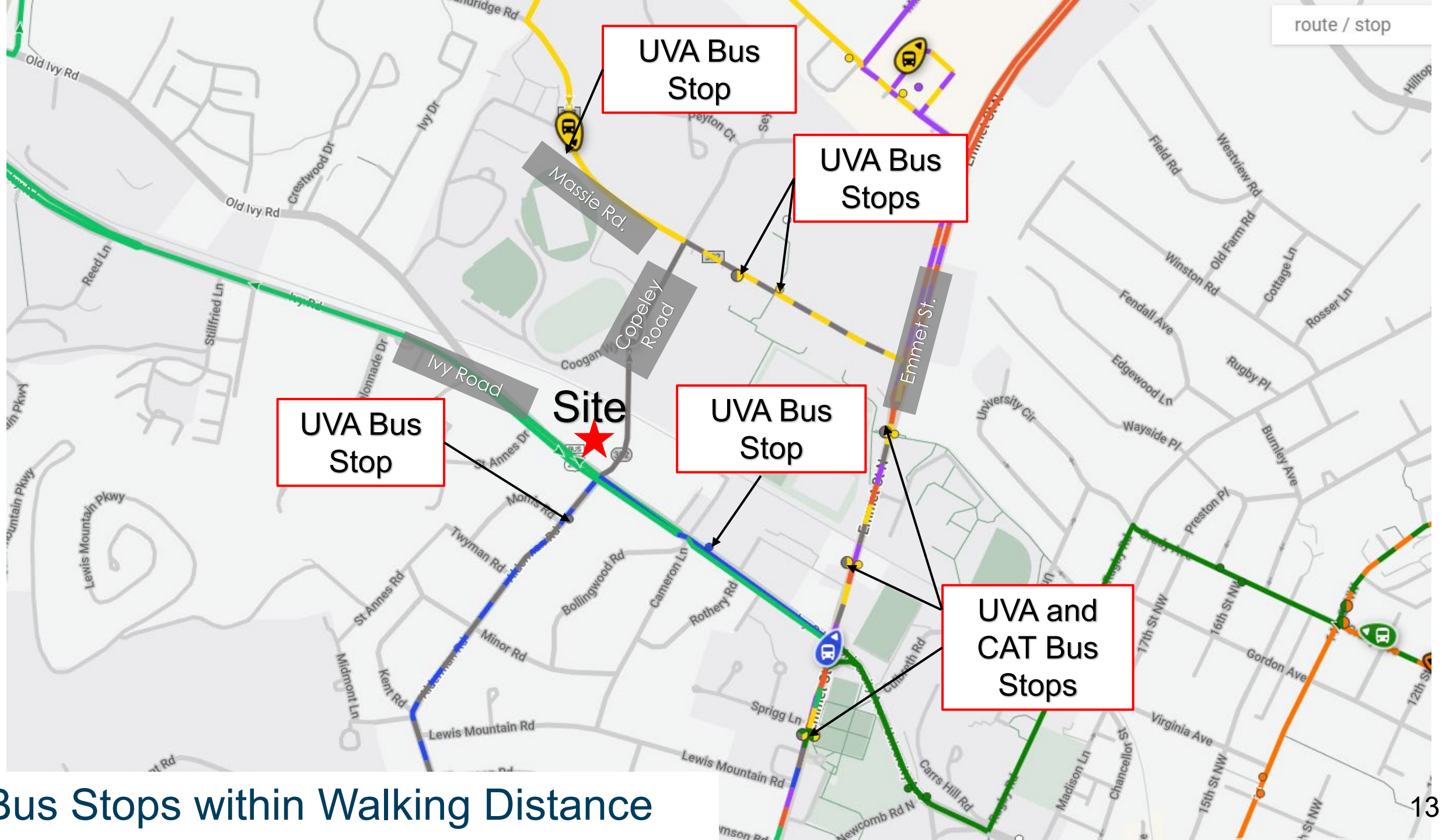


Conceptual Plan



Enhanced Bike & Pedestrian Infrastructure

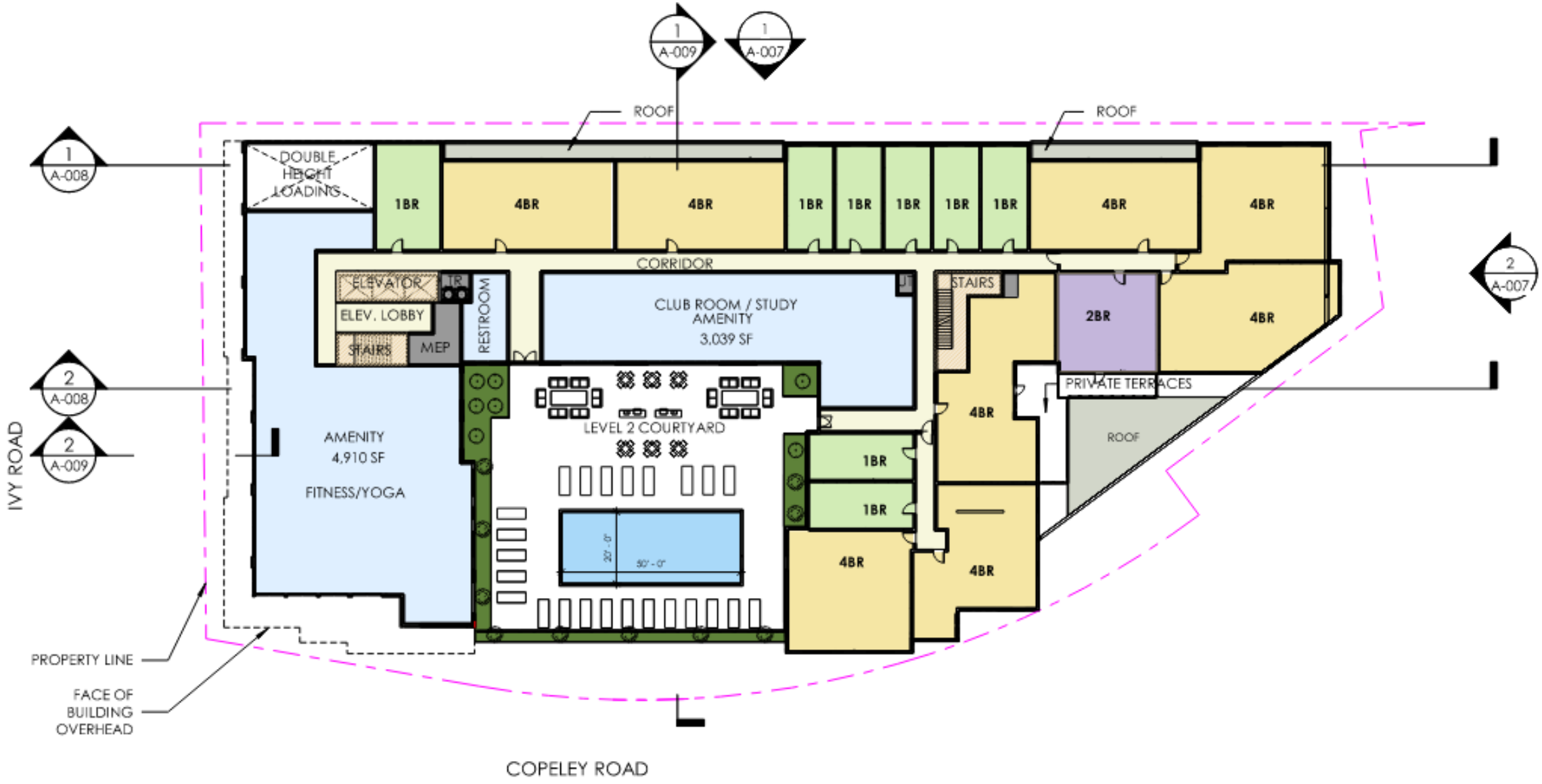
Private Bike & Scooter Storage



Bus Stops within Walking Distance

RESIDENT AMENITIES

- *Convenience*: Grocery and necessity retail nearby
- *Well-Being*: Onsite Fitness Center & Yoga Studio
- *Live-Study-Work spaces*: Study Lounge & Business Center
- *Entertainment*: Club Room, Lounge-Theater
- *Recreation*: Outdoor Pool & Courtyard and Rooftop Deck
- *Mobility & Sustainability*: Secure Bike, e-Scooter Storage Room



Conceptual Floor Plan - Level 2 Amenity floor

ADDITIONAL CITY REVENUE VIA PROPERTY TAX

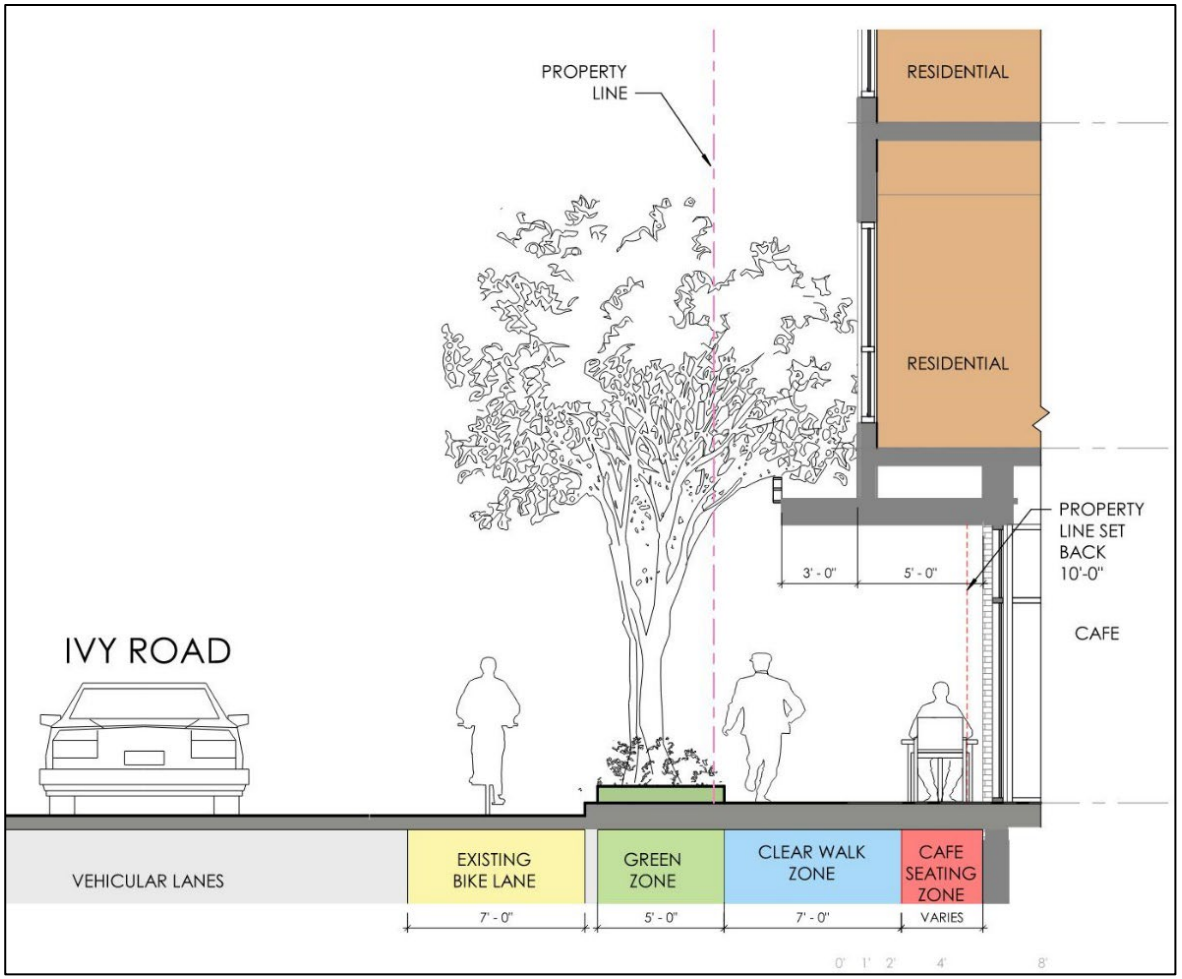
Existing Annual Property Tax (2023): $21,587 per year

With Project: Estimated Annual Property Tax **$900,000 per year**

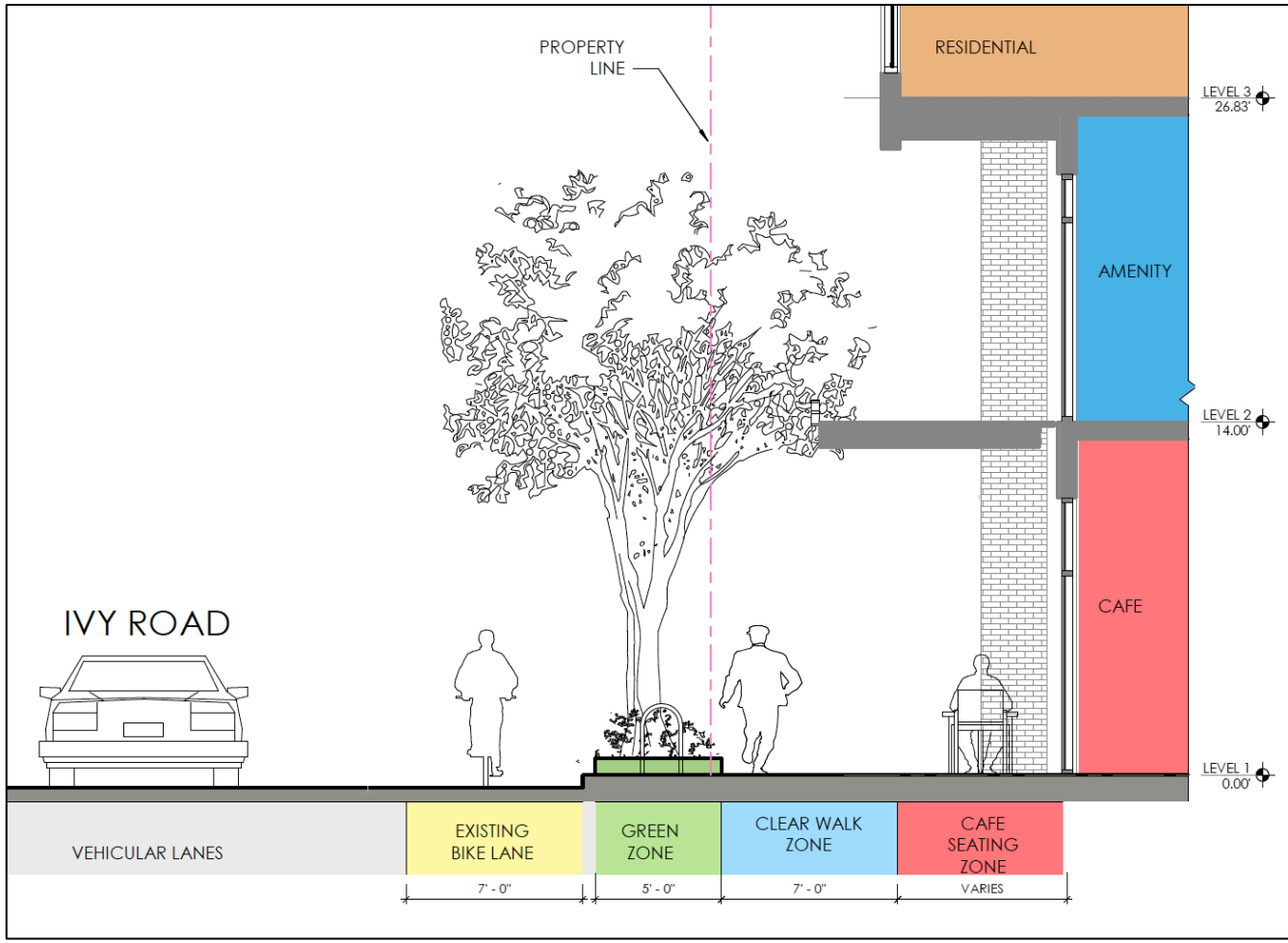
June Work Session: Rendering at Ivy and Copeley Roads

Revised: Rendering at Ivy and Copeley Roads

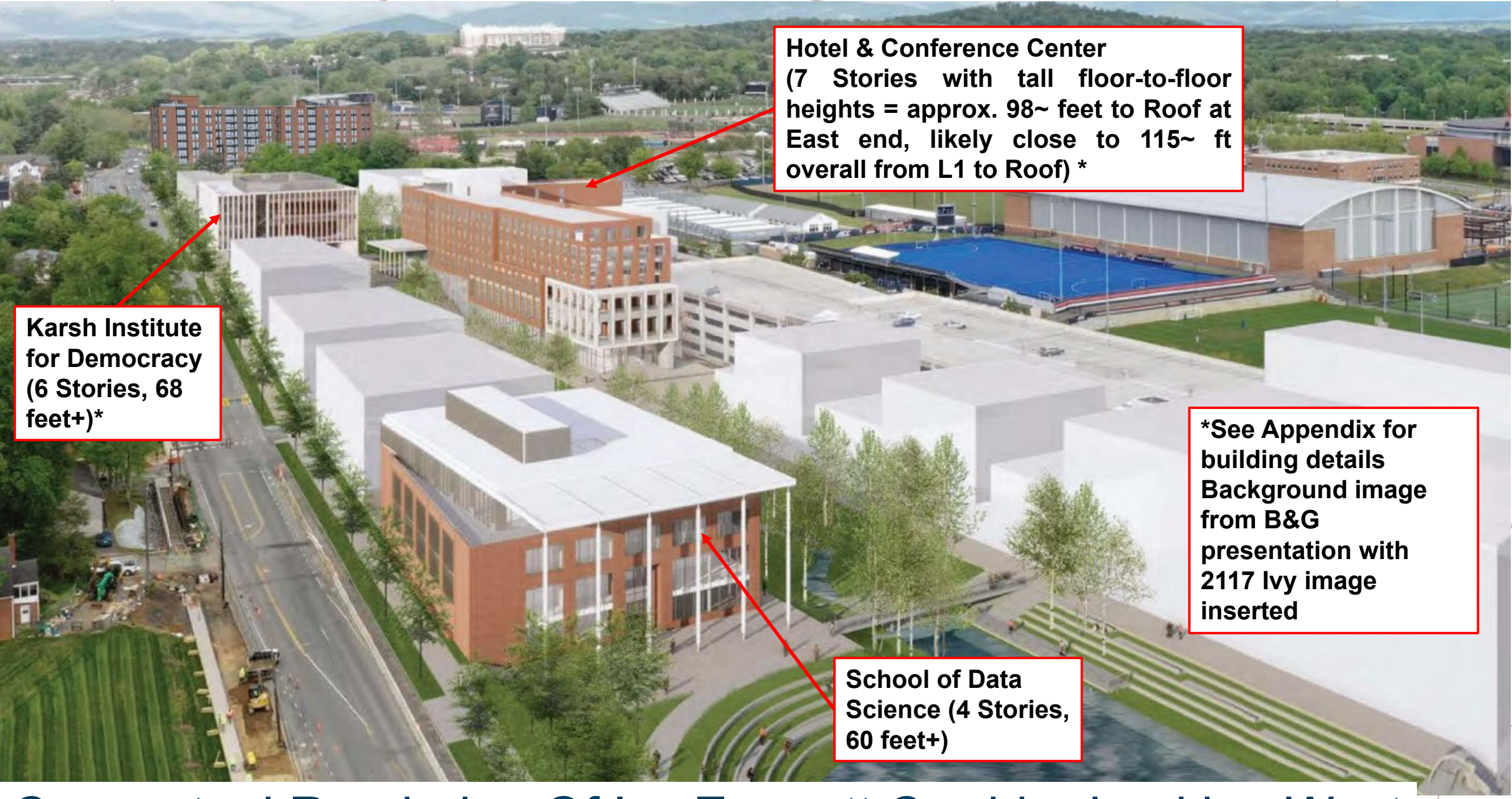
June Work Session: Section View At Sidewalk Along Ivy Road



Revised: Section View At Sidewalk Along Ivy Road



UVA Ivy Emmett Corridor Plan



Conceptual Rendering Of Ivy Emmett Corridor Looking West

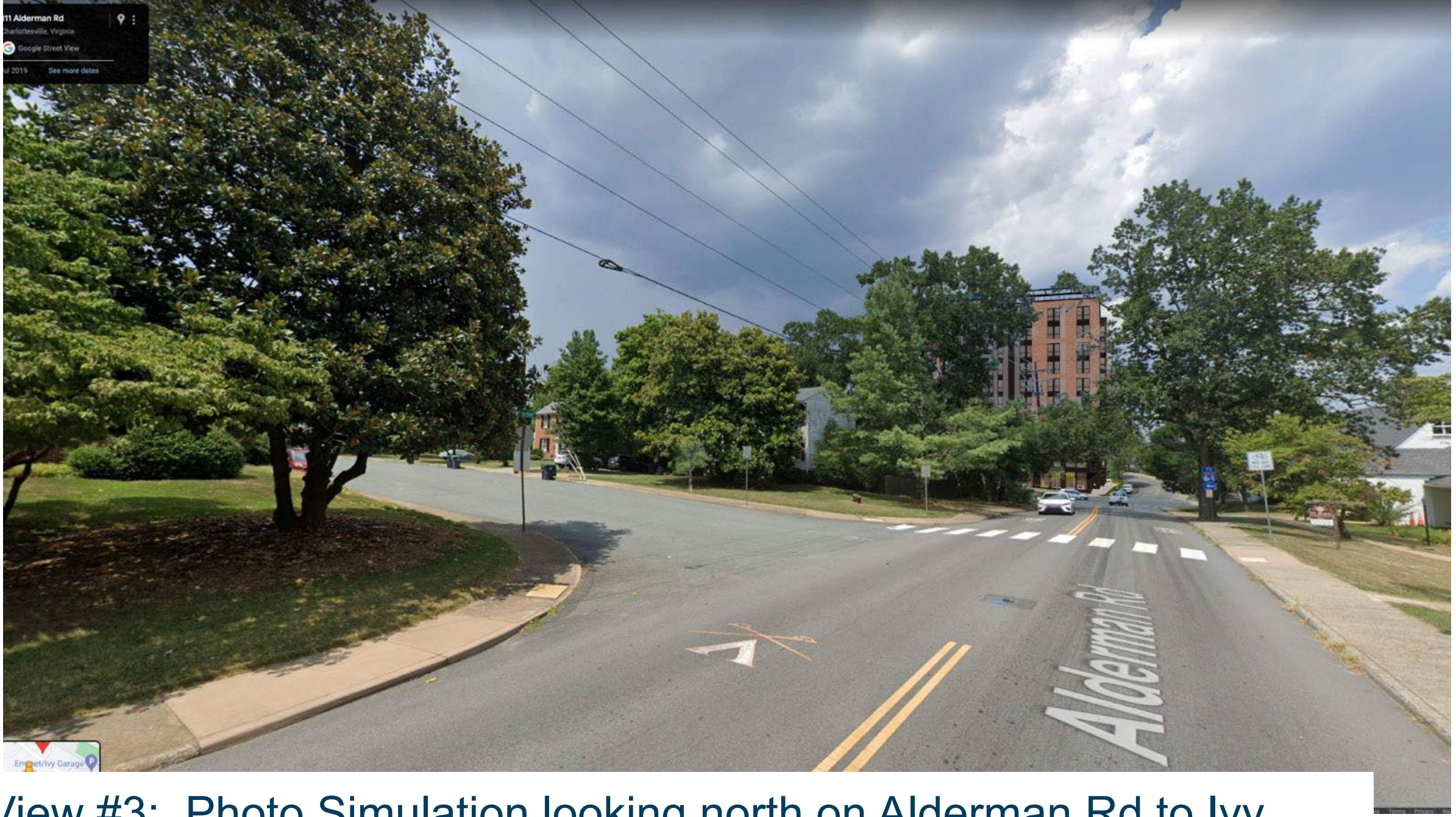
View #1: Orientation Map for Perspective Rendering

View #1 Ivy Road: Conceptual Rendering from Ivy Square Shopping Center Looking East

View #2 Orientation Map for Perspective Rendering

View #2 Ivy Road: Conceptual Rendering from Foods of All Nations Looking East

Orientation Map for Photo Simulation



View #3: Photo Simulation looking north on Alderman Rd to Ivy

Conceptual Rendering at Copeley Rd

Conceptual Rendering at Ivy and Copeley Rd

Conceptual Rendering at Ivy Rd

Conceptual Rendering at Ivy and Copeley Rd

Height @ Ivy Rd

- 10 Stories
- 114.5 Feet to Roof
- Plus 12-16 feet for Elevator, Stairs, and Bathrooms for Rooftop Amenity (Approximately 4.5% of Total Roof Area)

Conceptual Elevation: Ivy Road

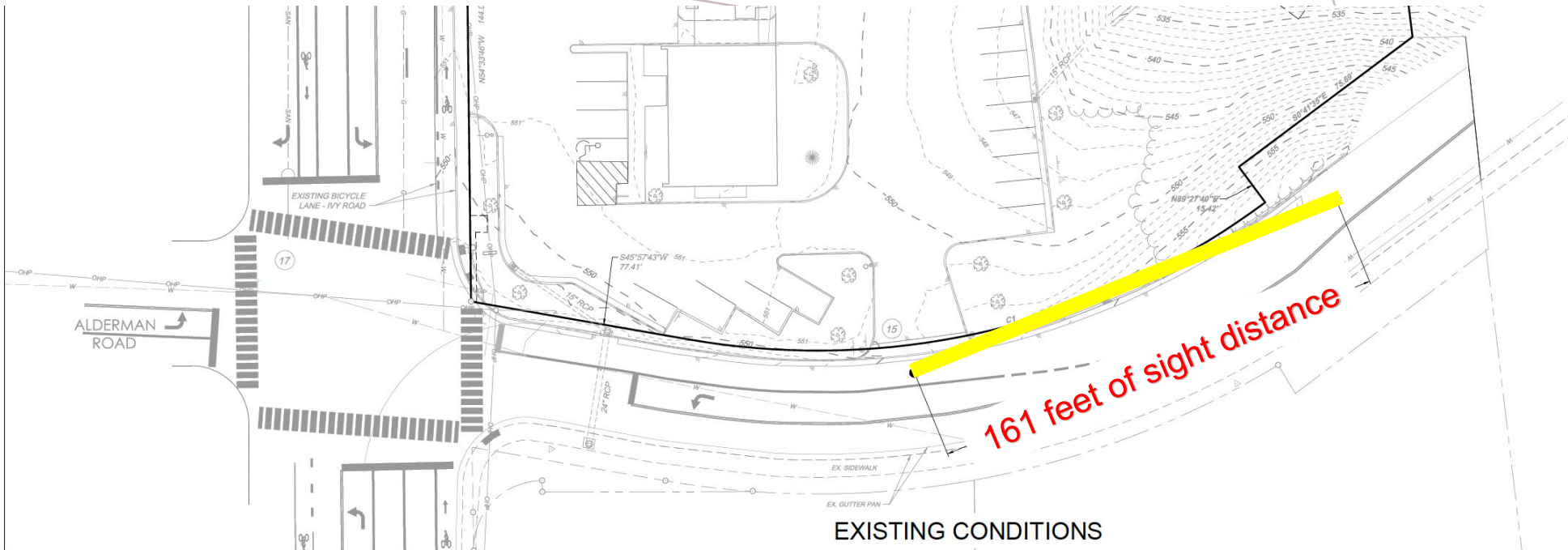
Conceptual Elevation: Copeley Road

Summary excerpt from Traffic Impact Analysis:

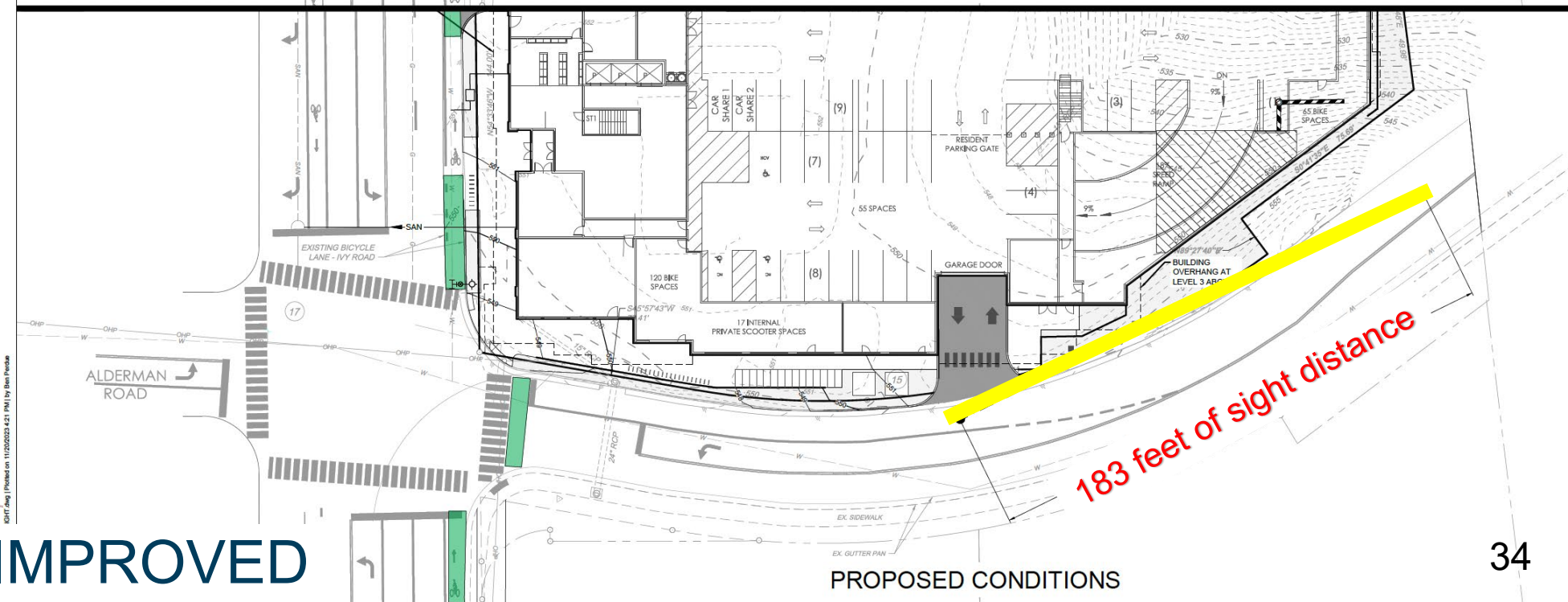
(Timmons Group, dated May 2023)

The Ivy / Copeley Intersection will continue to operate at LOS C or better

- Under 2028 total future conditions (with the proposed development):
  - The signalized intersection of Ivy Road and Copeley Road continues to operate in similar conditions to 2028 background at an overall LOS C. There are no significant changes in queueing between background and future conditions and all queues are contained within their existing storage.
  - The signalized intersection of Ivy Road and Rotherey Road/Parking Garage Access continues to operate in similar conditions to 2028 background. All queues are contained within their existing storage with the exception of the southbound left in the PM peak which extends 147 feet beyond the provided storage.
  - The signalized intersection of Ivy Road and Emmet Street continues to operate in similar conditions to 2028 background. All queues are contained within their existing storage.
  - The signalized intersection of Massie Road and Copeley Road continues to operate in similar conditions to 2028 background with an overall LOS B during both peaks. All queues are contained within their existing storage.
  - At the proposed unsignalized site entrance, the eastbound approach operates at LOS B during both peaks with a maximum queue of 48 feet in the AM peak and 215 feet in the PM peak. The northbound approach operates at LOS A during both peaks with a maximum queue of 58 feet in the AM peak and 132 feet in the PM peak. The southbound approach operates at LOS A during both peaks with a maximum queue of 192 feet in the AM peak and 329 feet in the PM peak.



EXISTING CONDITIONS



PROPOSED CONDITIONS

SITE DISTANCE IMPROVED

Street View looking North at Copeley from intersection on Ivy Rd.

Street view on Copeley looking towards Ivy Road

Street view on Copeley looking towards Ivy Road

VIEW AT EXISTING COPELEY RD DRIVEWAY

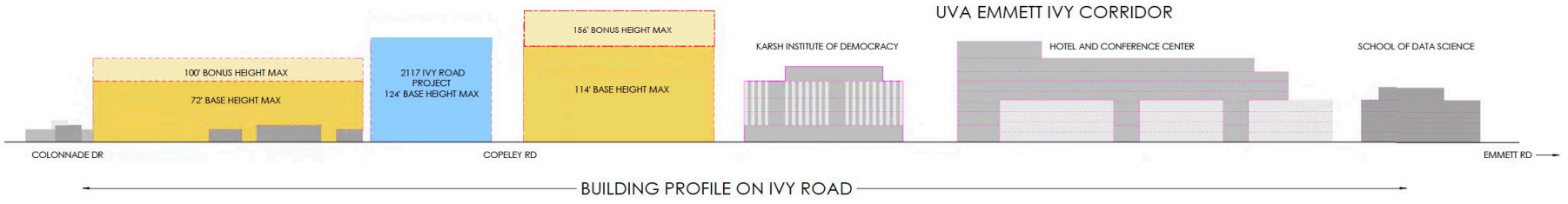
VIEW @ COPELEY ROAD: LOOKING NORTH TOWARDS BRIDGE

Summary of 2117 Ivy Road Project Benefits:

- Residences for over 600 students, young professionals in a strategic location that reduces pressure on neighborhoods
- Affordable Housing contribution to the City of either up to **$2,750,000** or 10% of Units @ 60% AMI
- Sustainable, mixed-use urban infill project at a key growth node of the City
- Activates an underutilized property with a mixed-use project with great access to Grocery, necessity retail
    - Articulated building façade with both material and horizontal changes
    - Enhanced sidewalk-pedestrian infrastructure
        - Wider sidewalks and landscape planter barriers between Ivy Road and sidewalks
        - Addition of sidewalk along Copeley Road
        - Wider crosswalks at Ivy & Copeley intersection
    - Enhanced bicycle and scooter infrastructure that provides proven alternatives to daily car usage
        - Public bike, e-scooter racks and private bike, e-scooter rooms
        - Added bike refuge “green boxes” at intersection
    - Café & Retail space with operable storefront that creates engagement with the public realm

Thank You

Appendices Follow



1 Concept Site Section
SCALE: 1" = 60'-0"

NOTE: ALL DRAWINGS ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE SUBJECT TO CHANGE PER FINAL ARCHITECTURAL, CIVIL, AND SITE DESIGN. PROPERTY IS LOCATED WITHIN A CITY DESIGNATED ENTRANCE CORRIDOR, AND FINAL DESIGN WILL BE SUBJECT TO REVIEW AND APPROVAL BY THE ENTRANCE CORRIDOR REVIEW BOARD.

NOT FOR CONSTRUCTION

WDG

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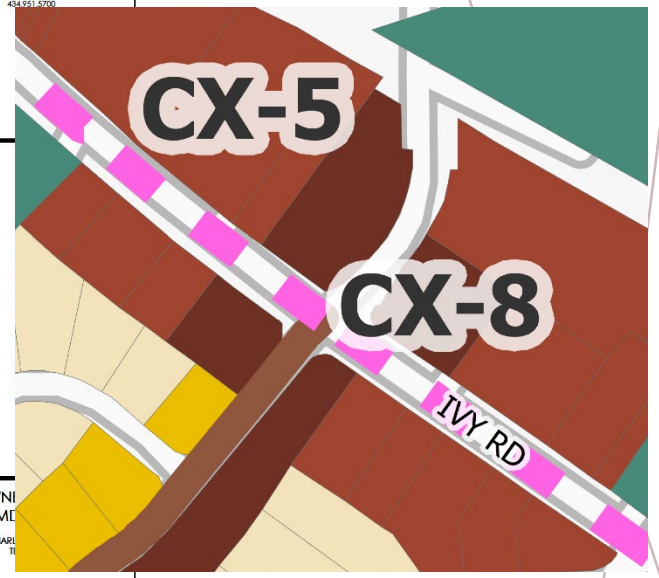


PUD SUBMISSION	05/15/23
PUD RESPONSE	08/02/23
PUD RESPONSE #2	10/06/23
PUD RESPONSE #3	11/21/23

WDG PROJECT NO: WA22014

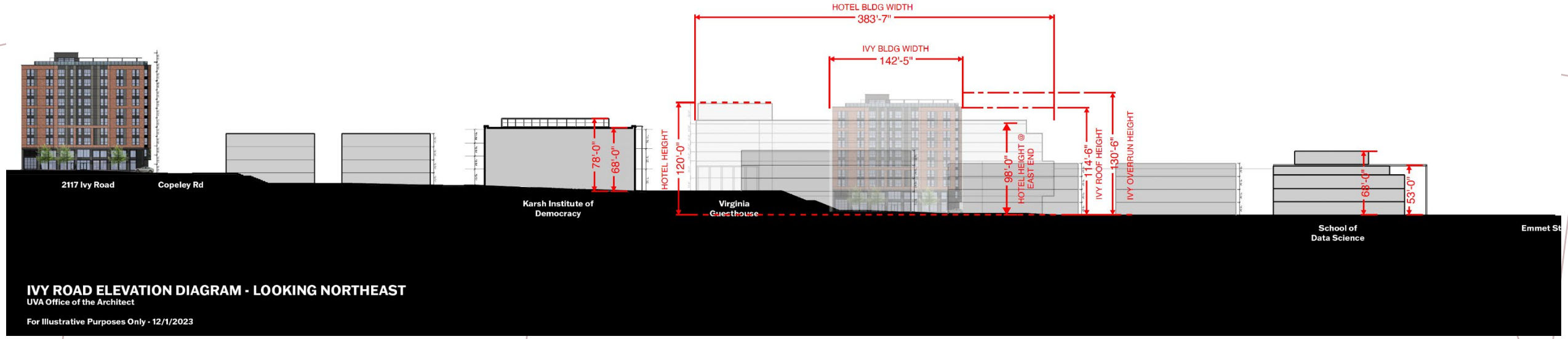
CONCEPTUAL SITE SECTION

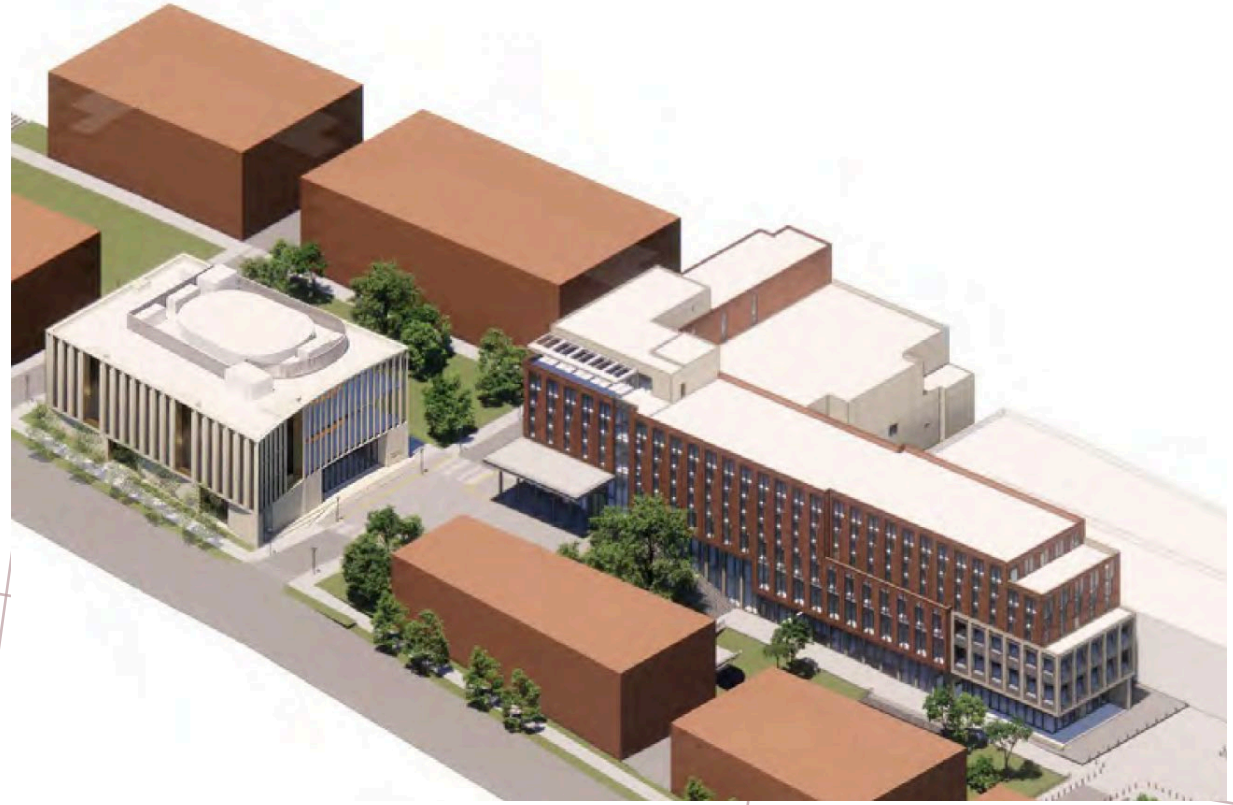
SCALE: 1" = 60'-0"

A-011

Above inset:
Snip from new Zoning Map

← Sheet A-011 from PUD





Above: Up Campus edit to Diagram prepared by the Architect of UVA 12/1/2023 and transmitted to Mayor and Council

Up Campus added the text in **red** and added the "ghosted-image" of the 2117 Ivy Building overlaid on the UVA Hotel & Convention Center

(*red dimensions are approximate based on best information available to us, we have requested actual Construction Drawing from UVA*)

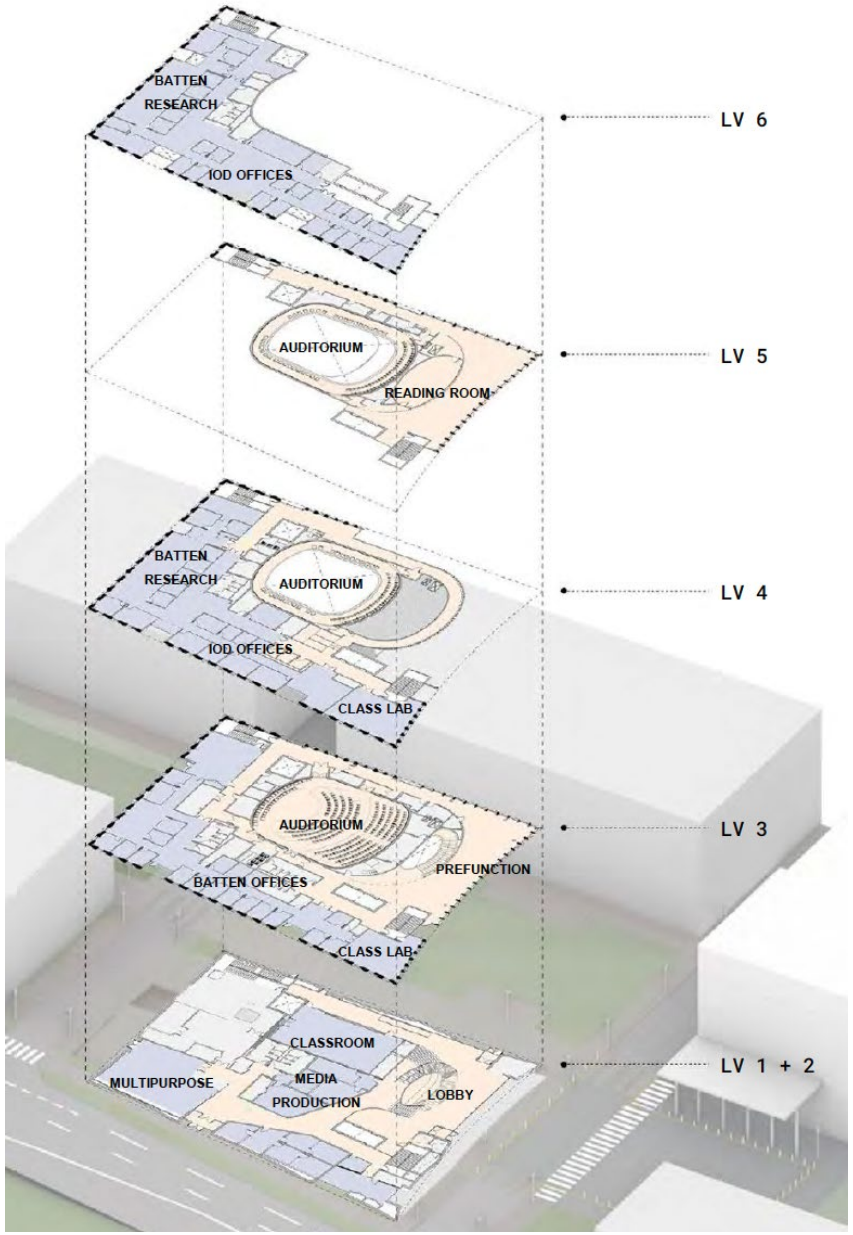
To left: Image from UVA B&G presentation

Hotel & Convention Center				
Level	Left (West side)	Right (East side)	Cumulative Height	
Roof of Amenity			120	Roof at Amenity
Amenity	22	22	98	Roof at L7
L7	10	10	88	
L6	10	10	78	
L5	10	10	68	
L4	10	10	58	
L3	18	18	40	
L2	15	20	20	
L1		20	0	

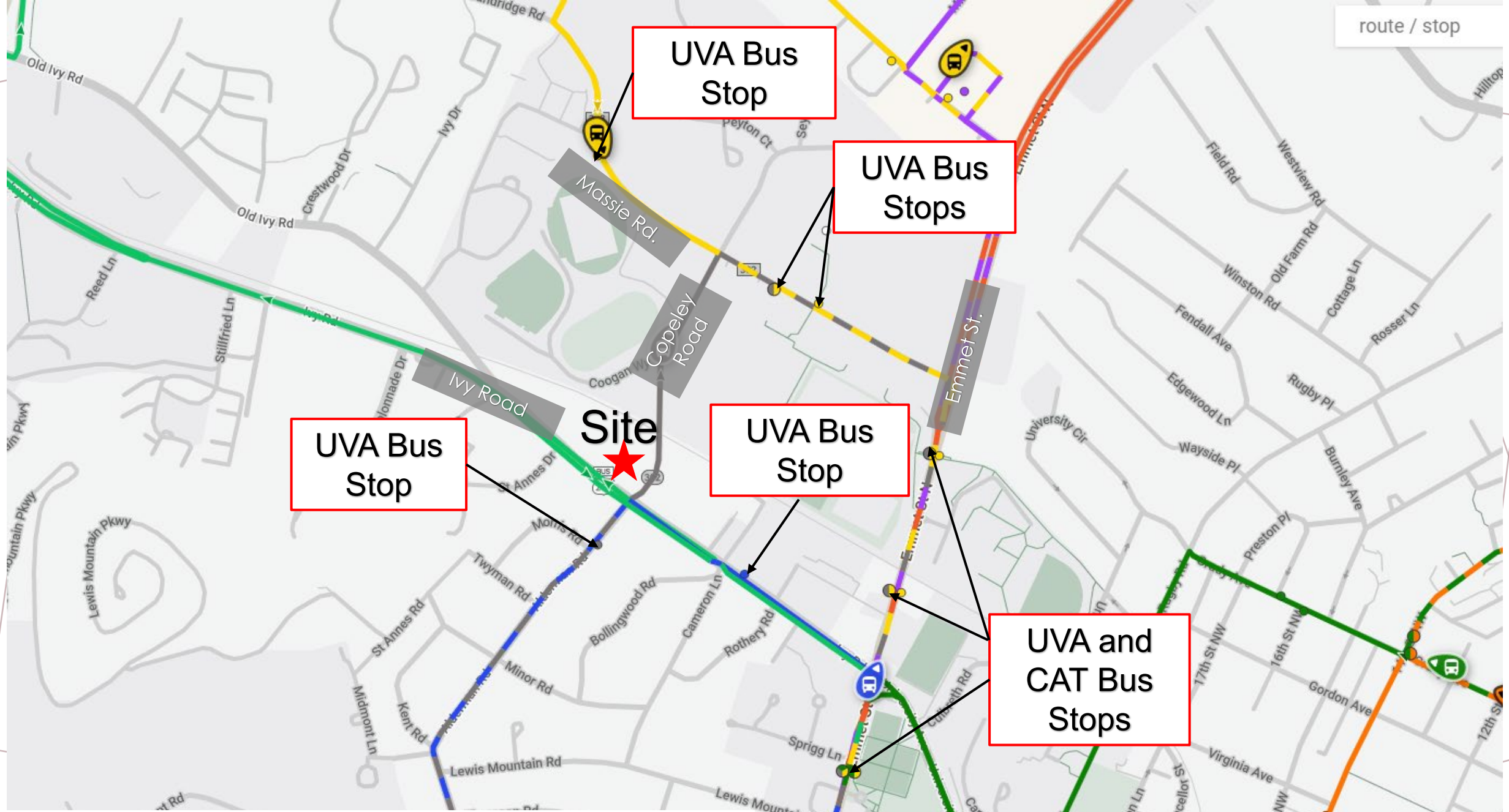
Photos from 11-14-2023 UVA Hotel & Convention Center

7 Story Building + Rooftop Amenity (Institutional building with tall floor-to-floor heights)
1st level = 20'~ ; 2nd & 3rd level = 18'~ ; 4th – 7th = 10'~ each = 98 ft approx Total Height to Roof of L7
98 feet + 22 Rooftop Amenity (overrun?) = 120 ft approximate based on best available info
(request the University to share the actual Construction Drawing showing the overall section)

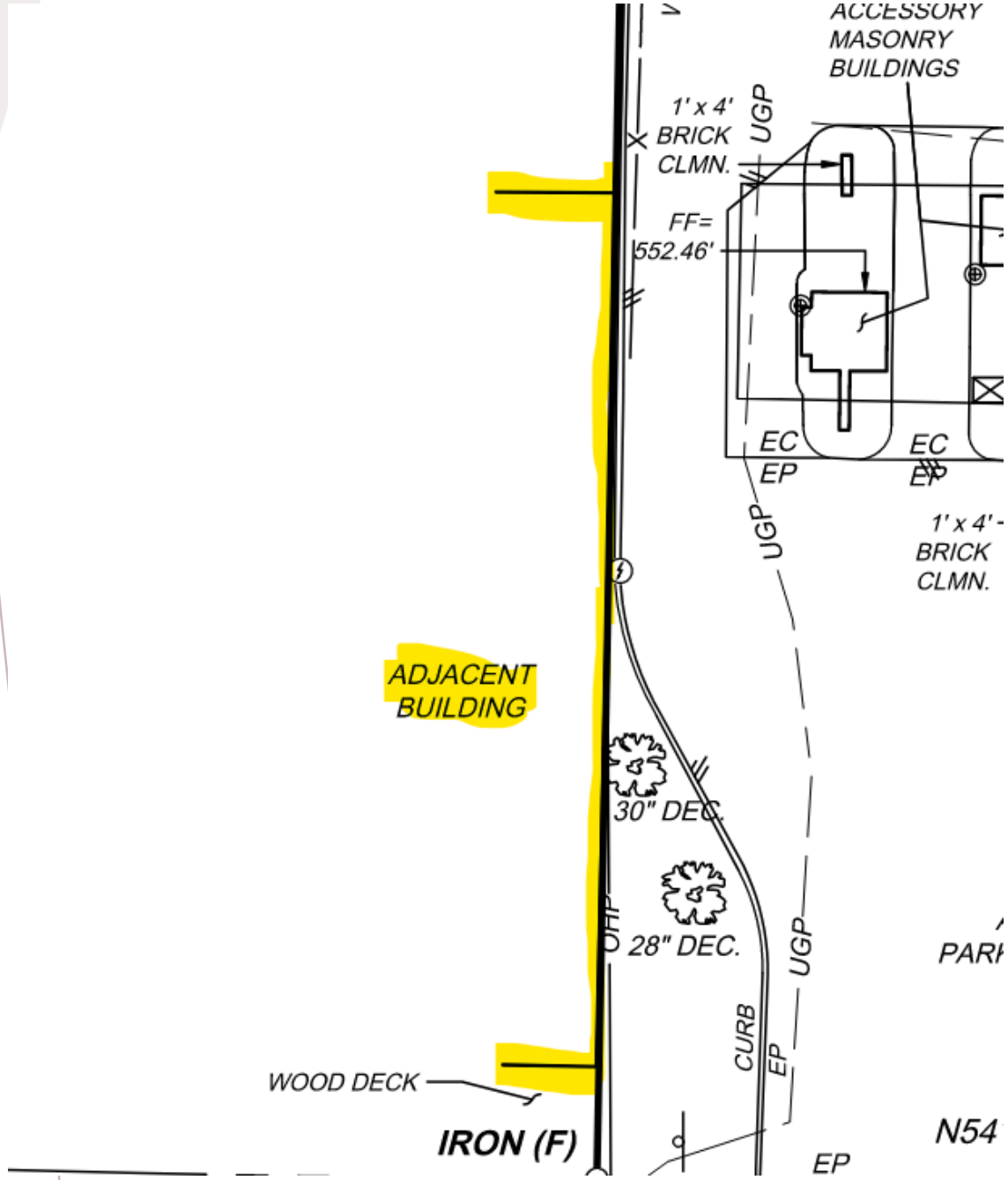
Image from UVA Hotel & Convention Center B&G presentation



Images from B&G presentation



Bus Stops within Walking Distance


ACCESSORY
MASONRY
BUILDINGS
1' x 4'
BRICK
CLMN.
UGP
FF=
552.46'
EC
EP
EC
EP
UGP
1' x 4'
BRICK
CLMN.
ADJACENT
BUILDING
30" DEC.
28" DEC.
UGP
CURB
EP
WOOD DECK
IRON (F)
EP

Re: Suggested Updates to RKG Consultant Memo on Affordability

In light of economic changes "back to normal" (*Fed funds rates at "near zero" during the period from 2012-2019 were just not normal*), below are some suggested updates to the RKG consultant report prepared for the City of Charlottesville.

The table below provides summary of suggested corrections to key inputs in the RKG Feasibility Analysis to help guide a policy that will result in a greater number of affordable housing units. The draft IZ policy with the current RKG inputs shows on the next slide that many scenarios simply *are not feasible*.

Feasibility Analysis: Section, Page#	Current RKG analysis inputs:	Suggested corrections to inputs:
Operating Expenses, page 18	Operating Expenses: 25%	Operating Expenses: 28-30%
Development Assumptions, page 19	Interest Rate: 6.0%	See attached indications from CBRE, 8.5-9%
Expected Financial Return, page 19	IRR (Rental): 12.00%	For new development, IRR requirements are 19-20%
Return on Cost, page 19	Return on Cost: 5.50%	Minimum Return on Cost required is 7~%

Re: Suggested Updates to RKG Consultant Memo on Affordability

The RKG report provided "Feasibility tables" page 26-27 copied below that laid out feasibility in areas of the City based on project size with **green meaning feasible**, **yellow meaning "marginal"**, **and red meaning "not feasible"** have been copied below.

Note that even the "**Proposed IZ Policy 10% at 60% AMI**" areas showing up in green as "feasible" are *not actually feasible* (that is they have returns lower than 19% (most around 12-16%) before inputting the Suggested Corrections to Inputs.

WOOD FRAME CONSTRUCTION

Multifamily rental development in areas E, F, G, and H are financially feasible under the proposed IZ policy guidelines (10% unit set aside at 60% of AMI) for projects that can be built using wood-frame construction (less than 5 floors total). While the IZ policy reduces the IRR, the project remains above the 12% minimum threshold.

Areas G and H perform better given their higher rent rates than Areas E and F. To this point, these areas could support up to a 15% set aside at 60% AMI and remain financially feasible.

The proposed bonus density strategy also works if the development can remain below 5 stories (e.g., in MX-3).

For Area I, multifamily development is not feasible due to the much lower rental rates captured in this area. The data indicate a development would require a lower price point for land (identified as $40,000 per unit) to reach the target threshold.

IRR	Market Rate Development			
	10 Units	25 Units	50 Units	100 Units
Area E/F	14.7%	14.5%	14.7%	14.7%
Area G/H	18.8%	18.7%	18.8%	18.8%
Area I	11.0%	10.9%	11.0%	11.0%

IRR	Proposed IZ Policy (10% at 60% AMI)			
	10 Units	25 Units	50 Units	100 Units
Area E/F	14.0%	12.4%	12.8%	12.5%
Area G/H	18.3%	16.2%	16.7%	16.3%
Area I	10.8%	9.1%	9.4%	9.0%

IRR	Bonus Density (10% at 50% AMI with 2 Floors)			
	10 Units	25 Units	50 Units	100 Units
Area E/F	12.5%	11.8%	12.3%	12.1%
Area G/H	16.4%	15.7%	16.3%	16.0%
Area I	9.4%	8.4%	8.9%	8.7%

INCLUSIONARY ZONING ANALYSIS 26

PODIUM CONSTRUCTION

Transitioning from wood frame construction ($230 PSF) to podium construction ($300 PSF) without any appreciable increase in revenue creates substantial financial hardship for new multifamily development in Charlottesville.

This also holds true for projects that want to use the bonus density feature that will require them to switch from wood frame construction (5 stories) to podium construction (7 stories). Effectively, the cost of construction increase will render the taller development infeasible.

The analysis for steel-frame construction ($400 PSF) has similar, albeit worse, results for development feasibility.

Anecdotally, the cost of construction for buildings over 5 stories has reached a point where even student-targeted rental housing—which generates substantially higher PSF rent levels than more traditional rental developments—currently is not financially feasible without some mitigating cost offset (e.g., lower land prices).

IRR	Market Rate Development			
	10 Units	25 Units	50 Units	100 Units
Area E/F	5.3%	5.1%	5.3%	5.3%
Area G/H	9.9%	9.7%	9.9%	9.9%
Area I	0.8%	0.6%	0.8%	0.8%

IRR	Proposed IZ Policy (10% at 60% AMI)			
	10 Units	25 Units	50 Units	100 Units
Area E/F	4.6%	2.7%	3.0%	2.6%
Area G/H	9.1%	7.2%	7.5%	7.1%
Area I	0.4%	-1.6%	-1.4%	-1.9%

IRR	Bonus Density (10% at 50% AMI with 2 Floors)			
	10 Units	25 Units	50 Units	100 Units
Area E/F	3.0%	1.8%	2.5%	2.2%
Area G/H	7.6%	6.5%	7.1%	6.9%
Area I	-1.1%	-2.8%	-2.0%	-2.3%

INCLUSIONARY ZONING ANALYSIS 27

RENTAL HOUSING VALUE GAP CALCULATIONS COMPARED TO MARKET RATE RENTS

AREAS E/F

	30% Affordable NOI	40% Affordable NOI	50% Affordable NOI	60% Affordable NOI	70% Affordable NOI
Studio	($133,871)	($103,931)	($73,991)	($44,051)	($14,111)
1BR	($204,696)	($174,756)	($144,816)	($114,876)	($84,936)
2BR	($266,720)	($236,780)	($206,840)	($176,900)	($146,960)
3BR	($340,033)	($310,093)	($280,153)	($250,213)	($220,273)
Average	($236,330)	($206,390)	($176,450)	($146,510)	($116,570)

Value Gap Calculation		% of Units		RKG Report		60% AMI	
2117 Ivy Road	Current	Affordable	Average	Rents	Market	Affordable	
Unit Type	# of Units	10%	SF per Unit	per SF	Rents (MR)	Rents (IZ, IC)	Gap
Studio	61	6.1	525	$2.75	$1,444	$1,166	$278
1 BR	27	2.7	715	$2.90	$2,074	$1,249	$825
2 BR	25	2.5	1,050	$2.50	$2,625	$1,321	$1,304
3-4 BR	128	12.8	1,560	$2.10	$3,276	$1,982	$1,294
TOTAL	241	24.1		Average Monthly	$2,355	$1,429	
				Annual	$28,255	$17,152	
			RKG Operating Expense Ratio		25%		
							Gap
				Operating Expenses	$7,064	$4,288	$2,776
				NOI MR	$21,191	per Unit	$8,327
				NOI IC IZ	$12,864	per Unit	
				Difference	$8,327	per Unit	
							Gap
	Value Gap		RKG Cap Rate	5.5%	$151,405	per Unit	$3,648,850
	Value Gap		Long Term Cap Rate	7.00%	$118,961	per Unit	$2,866,953
			(Current Actual)			Proposed Proffer	$2,750,000
						Fee in Lieu per Unit	$114,108

CONSIDERATIONS

Value Gap Calculation Approach

The value gap is the difference between the value of a market rate unit and that of an affordable unit. The value of a rental unit is determined by the net operating income and the capitalization rate; for an ownership unit it is determined by the sales value of the unit. In the case of affordable units, the amount of rent or sale price is limited to the target income threshold of the inclusionary zoning policy. This results in lower revenue for a developer. This loss of revenue translates into a loss of value (hence, the value gap) and negatively impacts the overall financials of a developer because the cost of construction and land to build either an affordable or market rate unit are essentially the same. As part of the modeling process, an option was created to utilize the difference in value due to the loss of revenue in determining the fee amount to charge for fractional units. A table showing current gap calculations is included at the end of this narrative.

RENTAL

$$\frac{NOI_{MR} - NOI_{IC}}{\text{CAP RATE}}$$

OWNER

$$PRICE_{MR} - PRICE_{IC}$$

MR – Market Rate
IC – Income-Controlled

Re: Suggested Updates to RKG Consultant Memo on Affordability

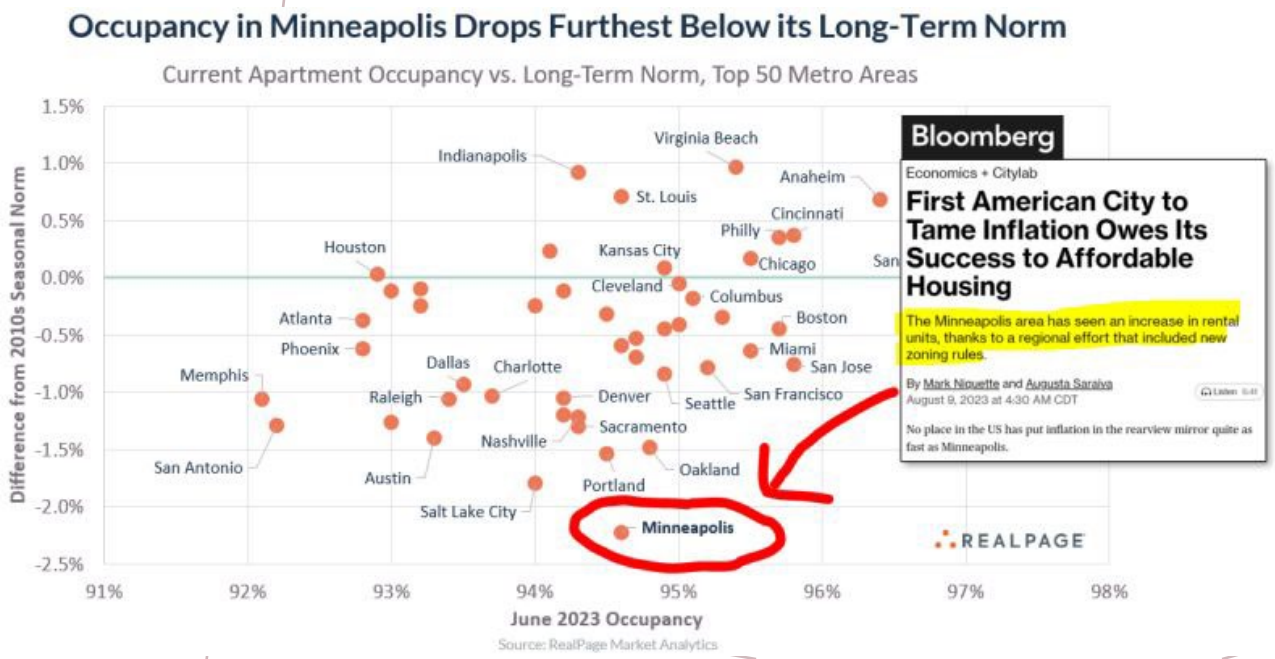
Our suggestions for implementing a feasible IZ Policy that will actually result in on-site affordable, OR a realistic calculation of a fee-in-lieu in cases where the City prefers a proffer:

In sum, here are our high-level policy suggestions for new rental development:

1. Proposed Base IZ Policy: Require all projects over 10 units to include 8% Affordable at 60% of AMI
2. Bonus Density-Height: Require projects > 10 units utilizing bonus heights to include 10% Affordable at 60% AMI
3. If City wants some 40-50% AMI units in some Areas, consider including a tax abatement similar to Pittsburgh

We note that the base 8% affordable at 60% of AMI has had positive, real-world results that are summarized in a recent **Bloomberg article** below. *We want to simultaneously point out that this was achieved by having a feasible "base policy" to begin with*. We understand the knee-jerk to always "do more", but caution that the overreach for a base policy just results in fewer units getting built (or none at all) everywhere in town.

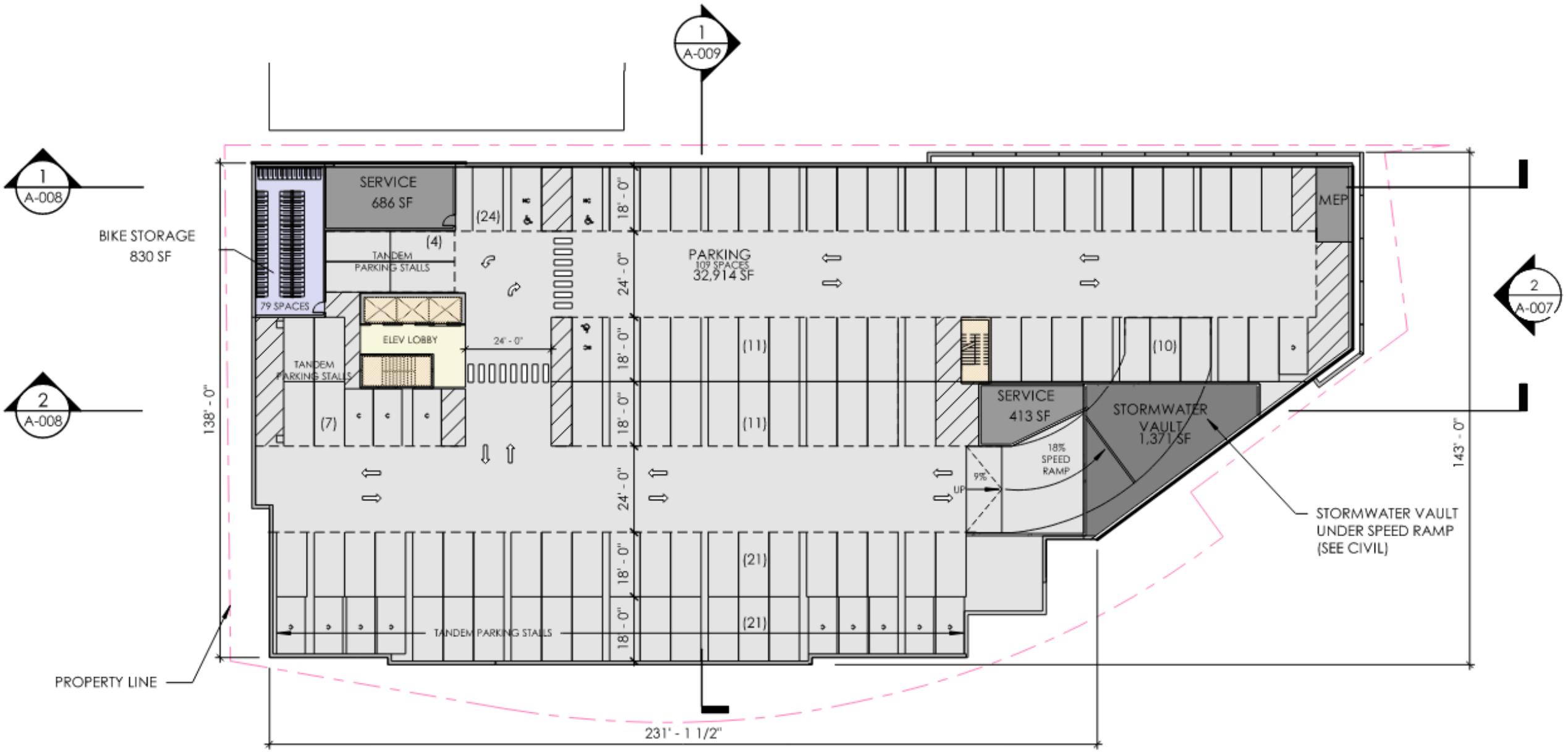
Quote from the mayor of Minneapolis, two-term Democrat Jacob Frey: "*I can't tell you how many people were like, 'Oh, look at all this supply, look at all these just brand new buildings,' and kind of scoffing at it like this was going to lead to gentrification or rents skyrocketing. The exact opposite has happened*."



Conceptual Rendering Looking North from Alderman toward Ivy Rd

Conceptual North Elevation looking from Railroad towards south

Conceptual West Elevations – view from west looking east



Conceptual Floor Plan - Lower Level Parking B1

SEE UPDATED

Conceptual Floor Plan- Typical Level 3-10

1
A-006

1 AREA PLAN - OPTION 2

1/16" = 1'-0"

Conceptual Floor Plan- Typical Level 3-10

VIEW LOOKING WEST ALONG IVY RD TOWARDS COPELEY RD

VIEW FROM IVY ROAD BACK TOWARDS SITE

VIEW FROM COPELEY ROAD

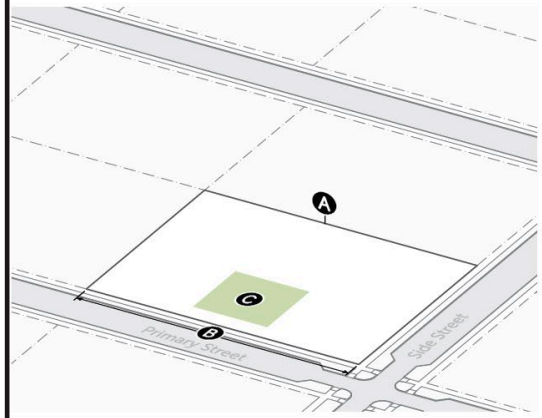
EXISTING VIEW FROM IVY ROAD

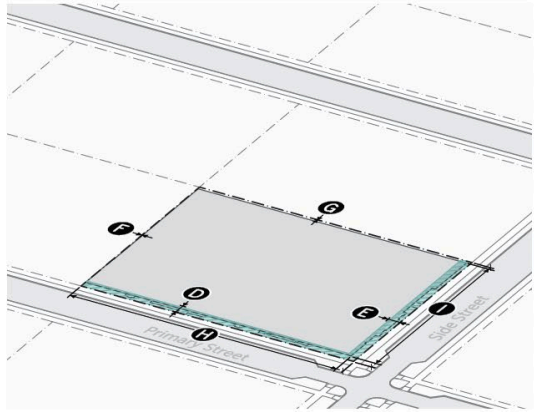
VIEW TOWARDS SITE AT IVY & COPELEY ROAD INTERSECTION

Street View looking Northwest at Copeley from intersection on Ivy Rd.

2.4.4. **CX-8** CORRIDOR MIXED USE 8

A. LOT



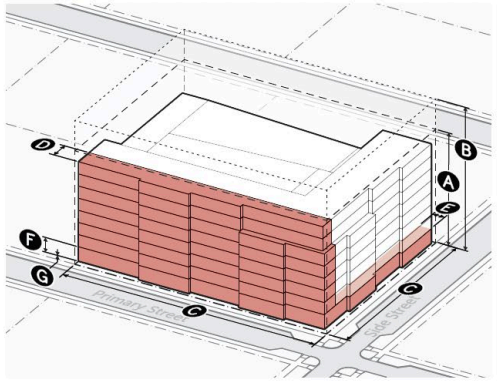


1. LOT SIZE	Sec. 2.10.2.
A Area (min)	None
B Width (min)	
Front access	40'
Side / rear access	15'
2. DENSITY	*Sec. 2.10.3.*
Dwellings per lot (max)	Unlimited
3. COVERAGE	*Sec. 2.10.4.*
Building coverage (max)	None
C Outdoor amenity space	10%

4. BUILDING SETBACKS	Sec. 2.10.5.
D Primary street lot line (min/max)	0' / 10'
E Side street lot line (min/max)	0' / 10'
F Side lot line (min)	0'
G Rear lot line (min)	0'
Alley lot line (min)	5'
5. BUILD-TO	*Sec. 2.10.6.*
Build-to width (min)	
H Primary street	75%
I Side street	45%
6. TRANSITION	*Sec. 2.10.7.*
Transition type	Type B, D
7. PARKING LOCATION	*Sec. 2.10.8.*
Front yard	Not allowed
Side street yard	Not allowed
Side yard	Allowed
Rear yard	Allowed

CX-8

B. BUILDING



1. HEIGHT	Sec. 2.10.9.
Building height (max stories/feet)	
A Base	8 / 114'
B Bonus	11 / 156'
2. MASSING	*Sec. 2.10.10.*
C Building width (max)	275'
Active depth (min)	
D Primary street	15'
E Side street	9'
3. GROUND STORY	*Sec. 2.10.11.*
F Ground story height (min)	
Residential	10'
Nonresidential	14'
G Finished floor elevation (min/max)	
Residential	0' / 6'
Nonresidential	-2' / 6'

	Primary St.	Side St.
4. TRANSPARENCY	*Sec. 2.10.12.*	
H Ground story (min)		
Residential	35%	30%
Nonresidential	50%	30%
I Upper story (min)	20%	20%
J Blank wall width (max)	15'	25'
5. ENTRANCES	*Sec. 2.10.13.*	
K Street-facing entry spacing (max)	40'	60'
Entry feature	Yes	Yes
6. FENCES AND WALLS	*Sec. 2.10.14.*	
Front yard height (max)	4'	
Side street yard height (max)	6'	

Sec. 34-757. - Height regulations.

The height regulations shall apply to buildings and structures within the Urban Corridor district:

(1) *Minimum:* None.

(2) *Maximum height:* Sixty (60) feet; however, up to eighty (80) feet may be allowed by special permit.

(5-19-08(3))

Sec. 34-758. - Streetwall regulations.

Setbacks shall be required, as follows:

(1) *Primary street frontage:* Five (5) feet, minimum; thirty (30) feet, maximum. In circumstances where a building will have frontage along more than one (1) primary street, these setbacks shall apply only to the primary street having the highest functional classification rating; the other primary street(s) shall be deemed linking streets for purposes of determining the required setbacks under this section.

(2) *Linking street frontage:* Five (5) feet minimum; twenty (20) feet maximum.

(3) *Side and rear, adjacent to any low density residential district:* Ten (10) feet, minimum.

(4) *Side and rear, adjacent to any other zoning district:* None required.

(5-19-08(3))