Board of Supervisors Work Session

Draft Land Use Buildout Analysis
June 1, 2022

Agenda

- Overview of the draft 2022 Land Use Buildout Analysis
  - Purpose of study and how it is used
  - Land use analysis methodology
  - 20-year forecast methodology
  - Summary of findings
- Land use buildout: constraining variables and considerations
- Conclusion and question to consider
- Next steps

Overview of draft 2022 Land Use Buildout Analysis

Purpose of the Analysis

- Support the Phase 1 of the AC44 process: Plan for Growth
- Understand theoretical maximum buildout (based on current land use designations per 2015 Comp Plan) of the County's Development Areas
- Consider if theoretical maximum buildout is sufficient to accommodate projected 20-year population growth

How to Use the Analysis

- The study findings can be used for a variety of future planning and economic development efforts, including the evaluation of the current Growth Management Policy
- Analysis will create a dynamic dataset that is designed to be used to test future scenarios such as adjustments to future land use designations and growth patterns
- Can be updated as new information becomes available and/or new development projects are proposed and built

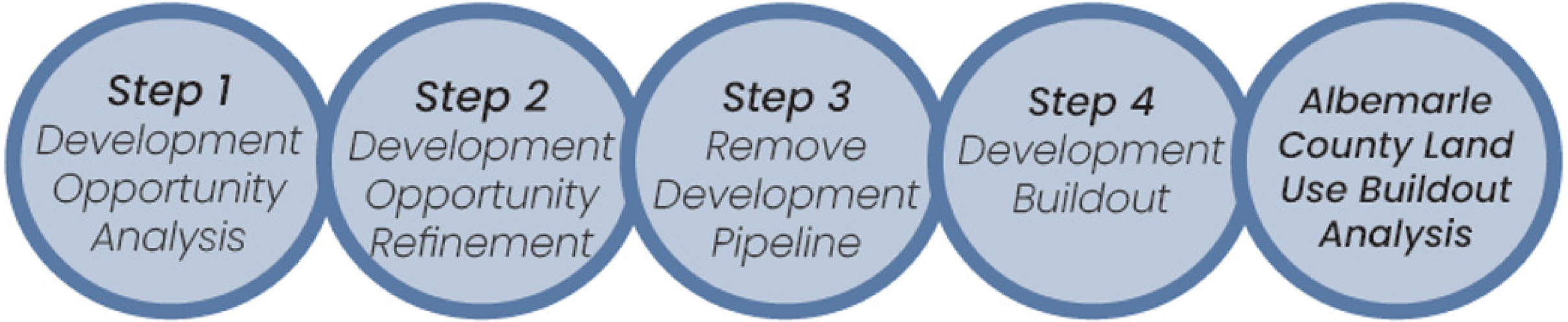
Limitations of the Analysis

- Forecasting is based on assumptions informed by historic development patterns, existing market conditions, and an inventory of pipeline projects (those that are approved and under review but not yet built)
- Land Use Buildout Assumptions applied holistically across the County and was not a parcel-by-parcel investigation
- Contingent on factors that cannot be accurately predicted across all parcels
  - Environmental/economic constraints
  - Property owner preferences
  - Project development that meets density/intensity targets intended

Differences from 2019 Analysis

- 2022 analysis uses different residential assumptions, including the inclusion of development pipeline that are still under review, but not yet approved
- Includes capacity for commercial/retail, office, industrial, and hotel land uses

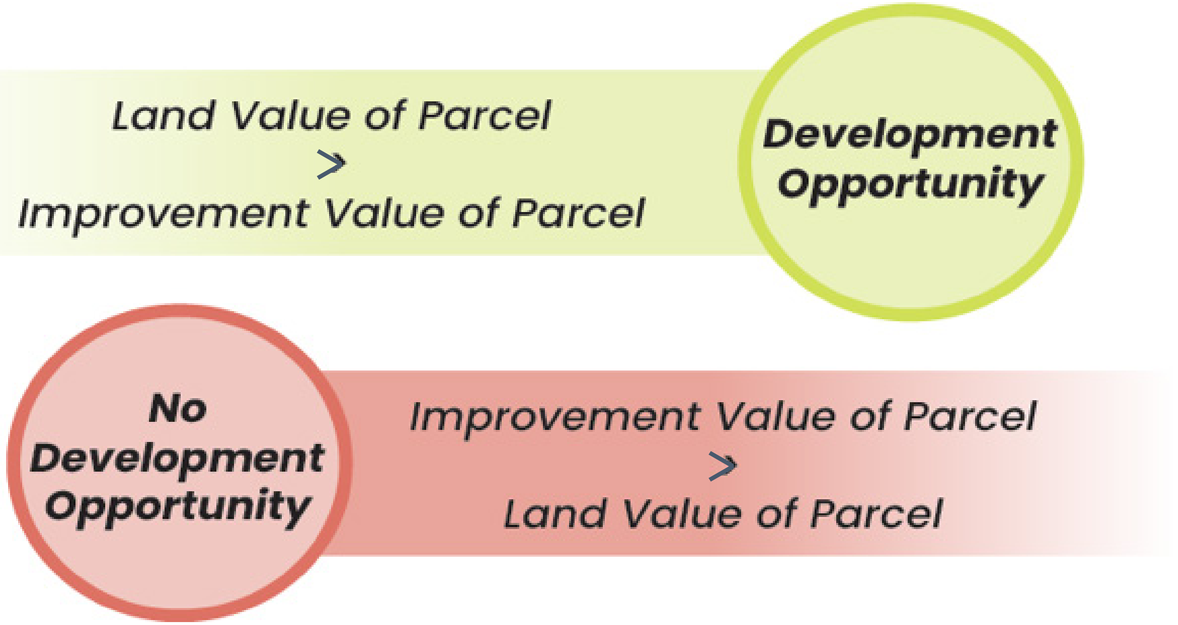
Land Use Buildout Methodology



Land Use Buildout Methodology

Step 1: Initial Development Opportunity Analysis

Identifies parcels in the Development Areas that have a potential for future development or redevelopment compared to those where the likelihood of change is limited.



Land Use Buildout Methodology

Step 2: Development Opportunity Refinement

Further refined development opportunities for residential, commercial/office, hotel, and industrial land uses that also considered location, parcel size, ownership, environmental constraints, and current and future land use.

Step 3: Incorporate Residential Pipeline Projects

Incorporate properties that have a residential project that is under review, approved, or under construction. The total known yield of these parcels will be used instead of relying on buildout assumptions.

Land Use Buildout Methodology

Step 4: Maximum Theoretical Buildout

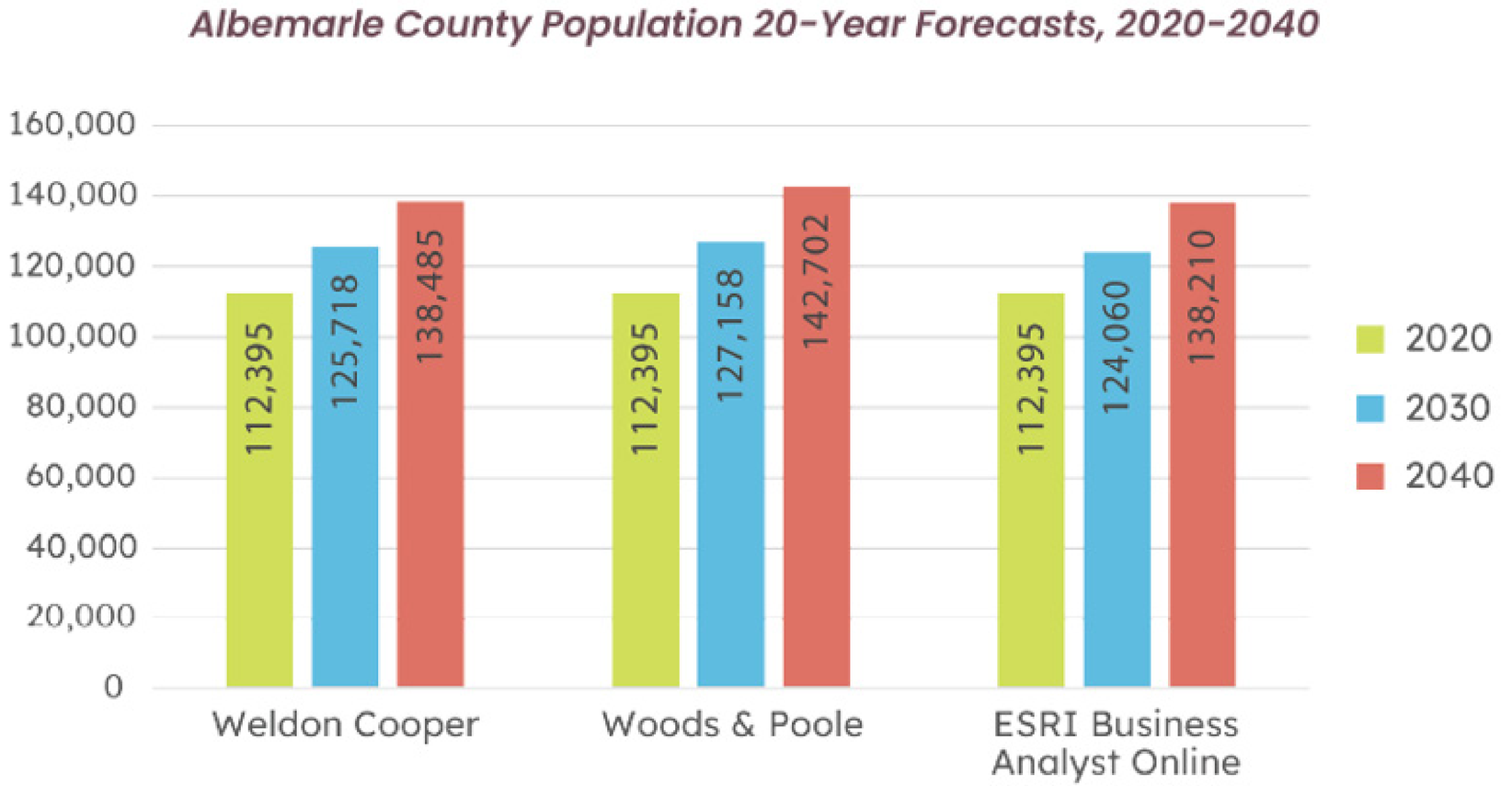
Applied a standardized set of assumptions to the remaining parcels that have the potential to develop according to their Comprehensive Plan future land use designation.

- Land use mix as described by future land use designations
- Density and intensity assumptions as described by future land use classifications; where a range was provided, study used maximum numbers for density and height
- Buildable acreage reductions to account for environmental constraints, infrastructure requirements, and open space preservation

Forecast Methodology

- Forecasted potential demand for residential units, commercial/retail, office, and industrial square feet, and hotel rooms over the next 20 years
- Considered projected 20-year population growth and how projected growth could generate new development
- Reviewed previous 10-years of development activity in the County and recent data for occupancy and vacancy rates and residential sales activity
- Forecasts are heavily weighted towards historical development activity, which may be constrained; possible constraints include the availability of land, cost of development, access to infrastructure, or environmental regulations
- Future growth potential may be further constrained as developable land becomes scarcer

Forecast Methodology



Source: Weldon Cooper Center for Public Service (2021), Woods & Poole (2018), ESRI Business Analyst Online (2021)

Residential Findings

Development Pipeline Summary

Summary of Approved & Under Review Development Pipeline, 2022

Development Area	Remaining Approved Units	Max Units Under Review	Total Buildable Units	Share of Total
Neighborhood 1	887	360	1,247	8.4%
Neighborhood 2	254	707	961	6.5%
Neighborhood 3	301	40	341	2.4%
Neighborhood 4	171	98	269	1.8%
Neighborhood 5	700	1,548	2,248	15.1%
Neighborhood 6	0	0	0	0.0%
Neighborhood 7	55	525	580	3.9%
Crozet	1,791	526	2,317	15.6%
Hollymead	4,650	1,700	6,350	42.6%
Piney Mountain	159	0	159	1.1%
Village of Rivanna	409	0	409	2.7%
Total	**9,377**	**5,504**	**14,881**	**100.0%**

Residential Forecast (20 Year)

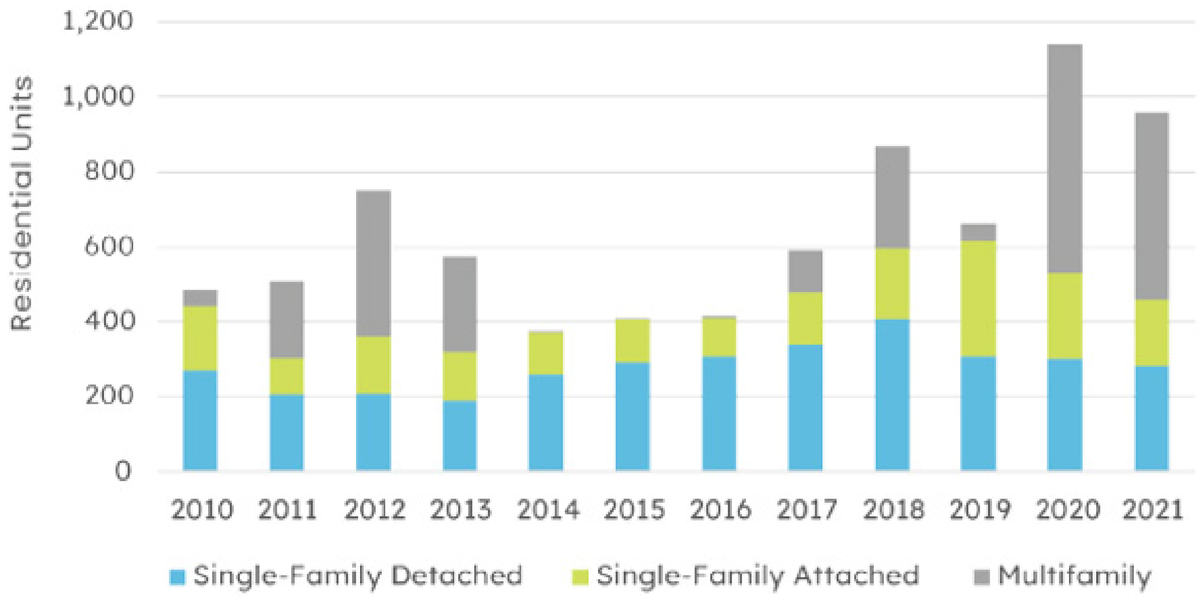
Residential Closings

For-Sale Closing Price

Monthly Rental Price

Residential Occupancy Rates

New Residential Units Completed by Type, 2010-2022



Source: Albemarle County Certificate of Occupancy Data (2022)

2010-2021 Average Annual Residential units built	10-Year Forecast (units)		20-Year Forecast (units)	
	Low	High	Low	High
646	6,000	7,500	11,500	13,500

Residential Findings

Theoretical Maximum Buildout

- Theoretical maximum buildout for residential incorporates the known development pipeline
- The maximum buildout for the Development Areas could exceed 24,000 residential units
- Theoretical maximum buildout exceeds 20-year demand forecast of 11,500 to 13,500 units
- Some limited additional residential growth should be assumed in the Rural Areas

Residential Development Pipeline
14,881 Units (as of Feb 2022)

Theoretical Land Use Buildout
9,265 Units

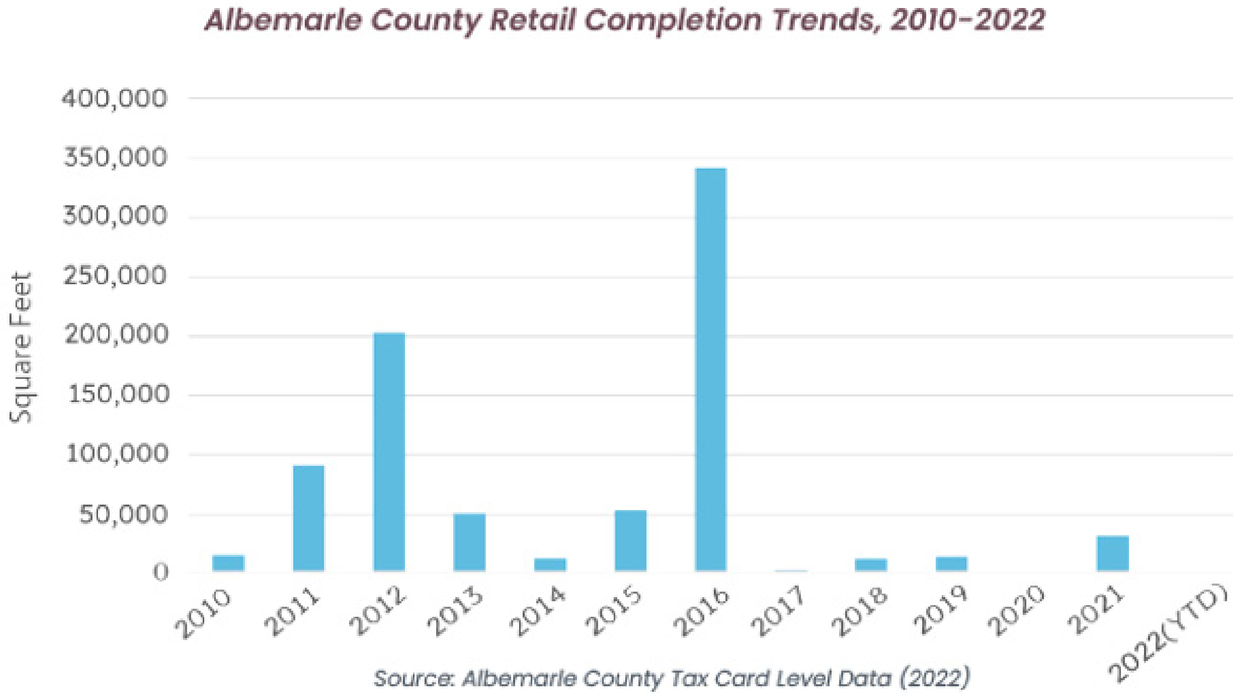
Theoretical Max Additional Units
24,146

Commercial/Retail Findings

Retail Space Completions

Retail Occupancy Rates

Retail Lease Rates



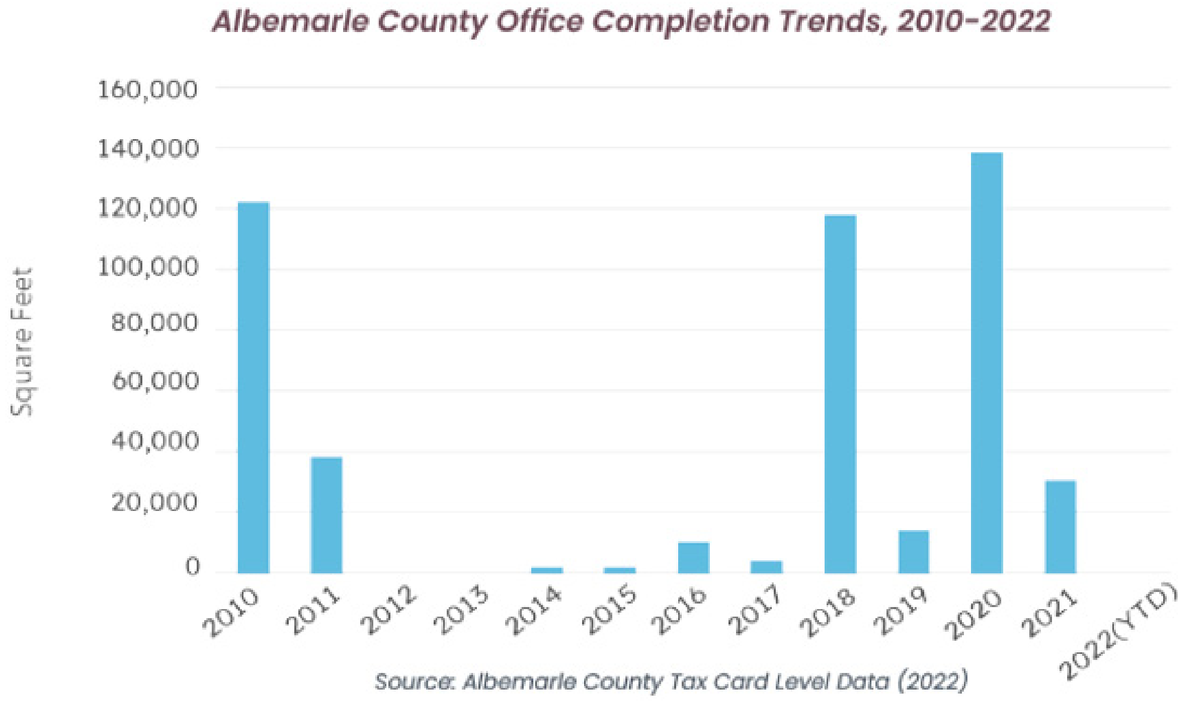
2010-2021 Average Annual Retail Square Feet Built	10-Year Forecast (sq. ft.)		20-Year Forecast (sq. ft.)	
	Low	High	Low	High
69,444	550,000	700,000	1,000,000	1,300,000

Office Findings

Office Space Completions

Office Occupancy Rates

Office Lease Rates



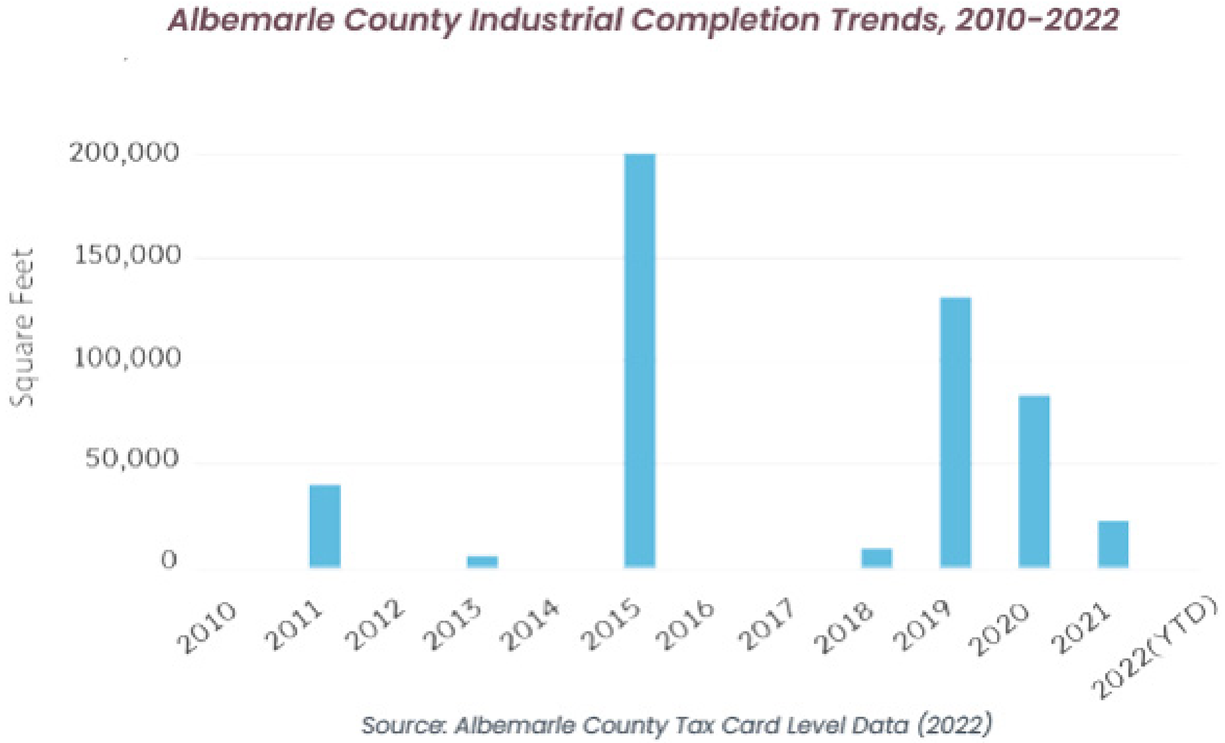
2010-2021 Average Annual Office Square Feet Built	10-Year Forecast (sq. ft.)		20-Year Forecast (sq. ft.)	
	Low	High	Low	High
39,924	325,000	500,000	750,000	1,000,000

Industrial/Employment Findings

Industrial Space Completions

Industrial Occupancy Rates

Industrial Lease Rates



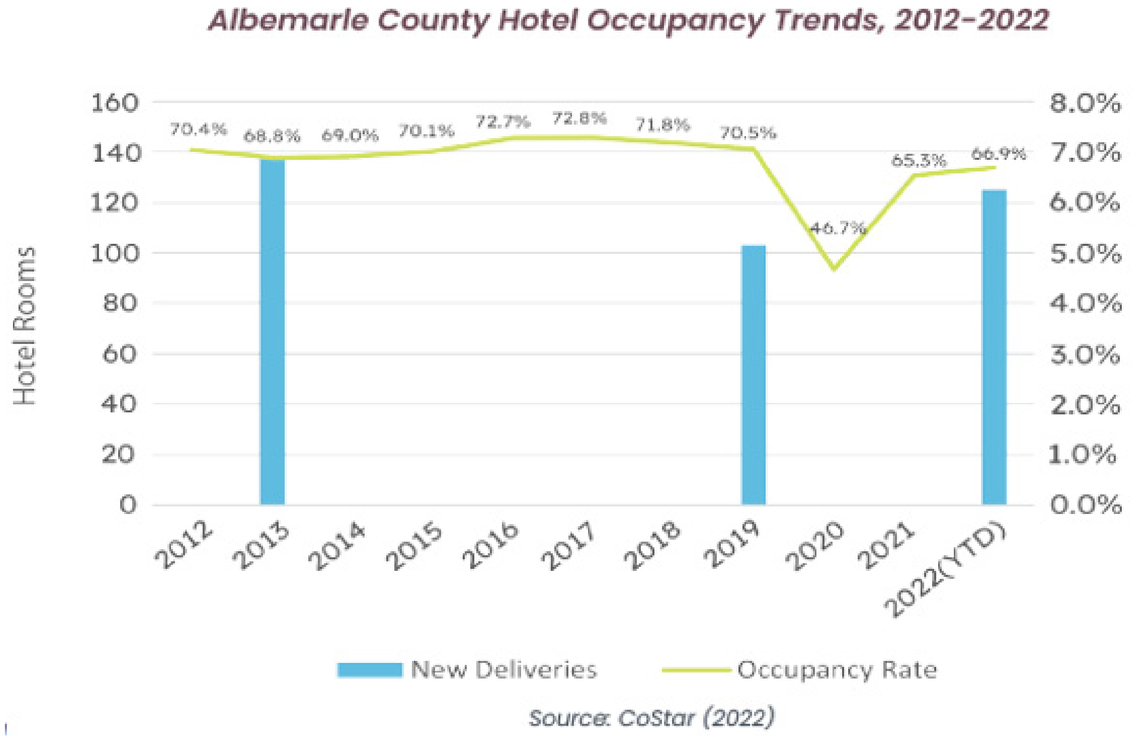
2010-2021 Average Annual Industrial Square Feet Built	10-Year Forecast (sq. ft.)		20-Year Forecast (sq. ft.)	
	Low	High	Low	High
41,288	450,000	600,000	950,000	1,100,000

Hotel Findings

Hotel Room Completions

Hotel Occupancy Rates

Hotel Daily Rates



2010-2021 Average Annual Hotel Rooms Built	10-Year Forecast (rooms)		20-Year Forecast (rooms)	
	Low	High	Low	High
37	350	500	700	900

Summary of Non-Residential Findings

- For all non-residential categories, the theoretical maximum buildout exceeds the 20-year market demand forecast

Retail Theoretical Maximum Buildout
1.7 M square feet

Office Theoretical Maximum Buildout
3.2 M square feet

Ind. Theoretical Maximum Buildout
5.5 M square feet

Hotel Theoretical Maximum Buildout
1,992 rooms

Summary of Non-Residential Findings

Land Use Type	20-Year Demand Forecast		Maximum Buildout Estimate
	Low	High	
Retail (sq. ft.)	1.0M	1.3M	1.7M
Office (sq. ft.)	750,000	1.0M	3.2M
Industrial (sq. ft.)	950,000	1.1M	5.5M
Hotel (rooms)	750	900	1,922

Summary of Residential Findings

Land Use Type	20-Year Demand Forecast		Theoretical Maximum Buildout Estimates			
	Low	High	Max. Approved	Max Under Review	Maximum Buildout Estimate	Total
Residential (units)	11,500	13,500	9,377	5,504	9,265	24,146

Summary of Buildout Findings

Development Area	Residential (units)	Retail (sq. ft.)	Office (sq. ft.)	Hotel (rooms)	Industrial (sq. ft.)
Neighborhood 1	601	291,571	357,102	551	57,711
Neighborhood 2	897	186,577	373,933	365	0
Neighborhood 3	650	184,202	111,961	137	113,822
Neighborhood 4	204	112,892	982,154	183	431,807
Neighborhood 5	264	34,253	86,741	0	520,443
Neighborhood 6	909	13,128	0	0	0
Neighborhood 7	352	17,811	13,358	0	0
Hollymead	4,015	584,848	820,589	340	3,590,951
Piney Mountain	251	138,791	105,100	210	252,241
Crozet	821	164,521	329,922	207	506,406
Village of Rivanna	301	0	0	0	0
Total	***9,265***	***1,728,594***	***3,180,860***	***1,992***	***5,473,380***

Land Use Buildout Analysis: Constraining variables and considerations

Additional Factors to Consider

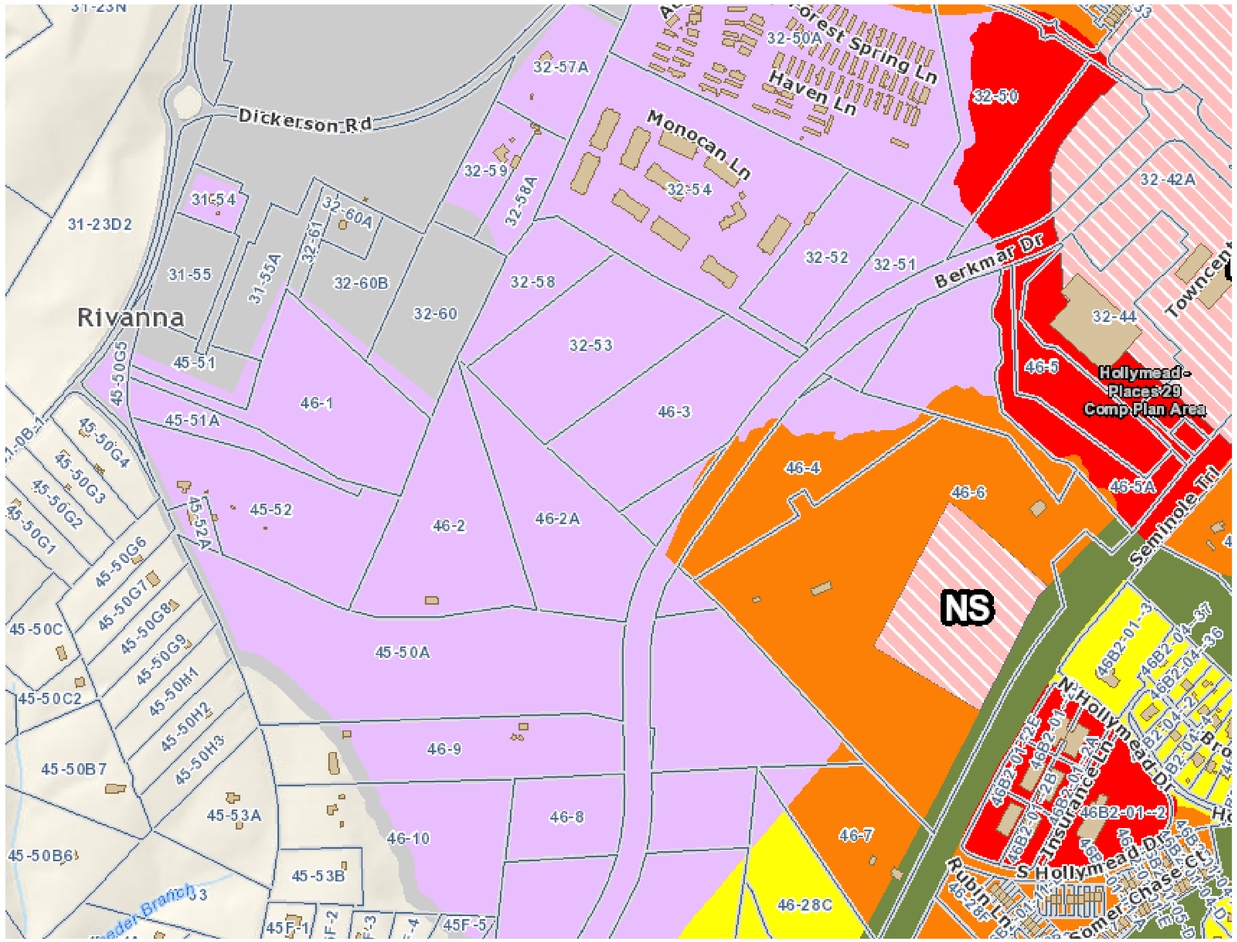
- Land Use Buildout Analysis is based on theoretical maximum buildout of vacant & underdeveloped land based on Comprehensive Plan future land use designations.
- The analysis accounts for some additional factors such as space needed on site for infrastructure, environmental constraints, open space
- Many other variables and constraints will affect actual buildout, such as:
  - Misalignment between existing zoning and future land use
  - Rezoning process and final buildout decisions
  - Site location and access to existing infrastructure
  - Physical site constraints (difficulty to develop)
  - Local and state ordinance requirements
  - Cost of land

Residential: Zoning & Land Use

- Estimated potential residential units by future land use and current by-right zoning
- Does not include pipeline
- For zoning, uses parcels identified as ‘development opportunity’ in the analysis
- Similar assumptions for infrastructure, environmental constraints, and open space

Comp Plan (max)	Zoning (by-right)	
Land Use Buildout Estimate	Estimated Units: Zoning Low	Estimated Units: Zoning High
9,265 units	2,505 units	4,361 units

Comp Plan land use & Zoning (by-right)



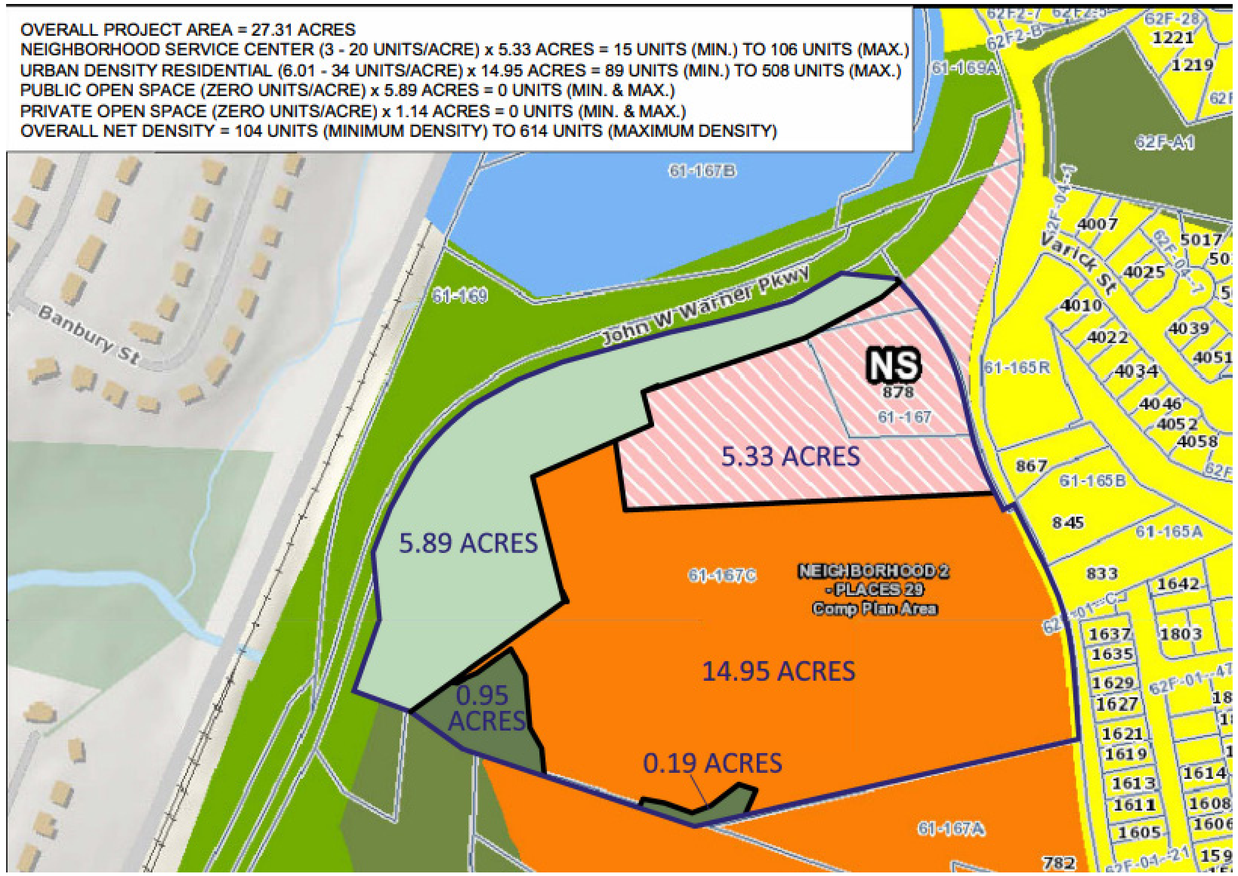
Example: Over 160 acres designated Light Industrial but zoned Rural Area

Rezoning process & buildout

- To reach the potential maximum land use capacity, a significant number of rezonings would be needed
- Rezoning process can take 6 months to 2+ years
- Rezoning process is uncertain
- Proposed densities are often lower than the maximum recommended in the Comp Plan
- Even when approved at higher residential densities, sites often do not build out to the maximum approval

Rezoning Example: Rio Point

- 27.31 Acre site, Neighborhood 2 (Places29)
- By-right density under previous zoning: **110 units**
- Future land use maximum buildout: **624 units**
- Final approval: **328 units**
- Time to approval from initial submittal: **2 years and 6 months**



Buildout Example: Old Trail Village

- Old Trail Village: Approved in 2005 for 1,600 (minimum) to 2,200 (maximum) units
- 2015 rezoning: reduced minimum required units to 1,000
- Expected final buildout: 1,200 units (-1,000 from maximum approval)

Site Location and Access to Existing Infrastructure

- Impact of adjacent land uses (e.g. benefit of walkability from residential area to businesses, or concerns with heavy industrial near residential)
- Limited access to major highways - a need for certain businesses
- Restricted availability to connect or extend to public infrastructure: water, sewer, roads, etc.

Physical Site Constraints

- Impacts total land available for development
  - E.g. out of 10 acres, only 7 acres may be able to accommodate new development
  - Environmental factors: floodplain, steep slopes, stream buffers
  - Topography and grading needs
  - Generally the easier-to-develop sites are developed first

Local and State Ordinance Requirements

- Includes Zoning Ordinance, Water Protection Ordinance, Department of Environmental Quality (DEQ) requirements, Subdivision Ordinance, State Building Code
- For example, Zoning Ordinance requirements affect amount of land available for development: minimum lot size, setbacks, building height, parking requirements, landscaping requirements, open space requirements
- Rezonings enable greater flexibility at the expense of time

Cost of Land

- Feedback from local stakeholders: cost of land in the County has increased rapidly in recent years
  - Vacant properties sold in 2018 averaged $40,825 per acre; in 2021 averaged $56,048 per acre (38% increase)
  - Increased cost of land typically absorbed by homebuyers/renters for residential developments
  - Non-residential land uses most likely to be directly impacted by land costs

Cost of Housing

- Reflects cost of land, among other factors (such as supply/demand, cost of materials and labor)
- Average sales price of single-family detached units in 2021: $570,000 (based on County tax assessor data)
- Compared to Charlottesville and surrounding counties, Albemarle County had the highest median for sale home prices in Q4 2021 ($425,000)
- Could constrain ability of employees that are employed in Albemarle County to be able to live and work in the County, and be a concern for potential new businesses/employers in this area

Conclusions and Question to Consider

Conclusions

- There appears to be sufficient land available for residential and non-residential growth in the existing Development Areas; however, that is predicated on assumptions including: development at the higher end of recommended ranges, significant redevelopment and infill, updates to the zoning to match future land use, incentives for affordable housing, and economic development
- Lower ends of recommended densities/uses are not sufficient to accommodate future growth
- Development under current by-right zoning may not be sufficient to accommodate future growth

Question to Consider

Does our current Growth Management Policy provide opportunities to meet housing and non-residential needs for growth over the next 20 years?

Next Steps

- Review the results of the analysis with a focus on equity, climate action, and economic development
- Additional considerations for Project ENABLE
- Incorporate additional feedback from the Planning Commission and Board of Supervisors