Background
Valerie Long, Williams Mullen, acting as agent for Heirloom Downtown Mall Development, LLC, requests a modification to an existing Special Use Permit (SUP), SP19-00006, pursuant to City Code Section 34-162(a) which permits modification to yard regulations including required stepbacks. The existing SUP permits a mixed use building with up to 240 dwelling units per acre (DUA) and up to 101-feet in building height with conditions. The current application requests modification of the required 25-foot minimum stepback at 45-feet in height per Section 34-558(a) to a 10-foot minimum stepback for the West Market Street streetwall and a 5-foot minimum stepback for the Old Preston Avenue streetwall. The Subject Property is currently zoned D Downtown Mixed Use Corridor with Downtown Architectural Design Control District (District A) and Urban Core Parking Zone overlays. The conditions included in the attached resolution primarily reflect those agreed to during the original special use permit process. Notably, the affordable dwelling unit condition exceeds the City’s current requirement, providing some units at a deeper level of affordability and requiring affordability for a longer period of time. Also notable in these conditions is a requirement to provide commercial space at a discounted rate (50%) to a community organization supporting the citizens of the historic Vinegar Hill community.

Discussion
The Planning Commission considered this application at their meeting on July 13, 2023. The Commission discussed the proposed building form, including the reduced stepbacks and additional building modulation providing additional light and air, potential public pedestrian access through the site between West Market Street and Old Preston Avenue, and the potential to work with the applicant to extend the Downtown Mall brick paving down Old Preston Avenue.

The staff report and supporting documentation presented to the Planning Commission can be found starting at page 24 at the following link: https://charlottesvilleva.portal.civicclerk.com/event/1696/files

The City Council considered this application at their meeting on July 17, 2023. The Council discussed whether the granting of the requested amendment to reduce the upper floor stepback requirement warranted an additional contribution towards affordable housing beyond that already being provided based on the additional square footage.
The applicant has suggested an additional condition for this project that would be added as condition 1.e and read as follows:

e. The building shall contain no more than 188,903 gross buildable square feet above grade.

Should Council wish to include this additional condition, it should be noted as part of the motion.

**Alignment with City Council's Vision and Strategic Plan**
The proposal aligns with City Council Vision Statements of Economic Sustainability and Quality Housing for All.

The proposal aligns with City Council Strategic Plan Goal 1: An Inclusive Community of Self-sufficient Residents though Strategy 1.3 Increase affordable housing options, Strategic Plan Goal 3: A Beautiful and Sustainable Natural and Built Environment through Strategy 3.1 Engage in robust and context sensitive urban planning and implementation.

**Community Engagement**
The previous City Planner processing this application waived the community meeting requirement per City Code Sections 34-158(a) and 34-41(c)(2).

The Planning Commission held a joint public hearing with City Council on this matter on June 13, 2023. Public comments focused on pedestrian access through the site, construction impacts to adjacent properties, and the importance of maintaining the proposed building form which provides additional light and air through the site.

**Budgetary Impact**
No direct budgetary impact is anticipated as a direct result of this Special Use Permit.

**Recommendation**
The Planning Commission voted 7-0 to recommend the application be approved with the staff provided conditions with one additional condition included within the attached resolution.

**Alternatives**
City Council has several alternatives:
(1) by motion, approve the requested Special Use Permit as recommended by the Planning Commission with the following suggested motion;

“I move the adoption of the Resolution included in our agenda materials, granting this Special Use Permit within SP23-00002, based on a finding that the proposed permit is required by public necessity, convenience, general welfare, and good zoning practice”

(2) by motion, request changes to the attached resolution, and then approve the Special Use Permit;

(3) by motion, take action to deny the Special Use Permit;

Or

(4) by motion, defer action on the Special Use Permit.

**Attachments**
1. 218 W Market Resolution (3)
2. 218 W Market_SUP_Council Presentation for 8-7-23 v3