

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



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| Agenda Date: | January 3, 2022 |
| Action Requested: | Resolution |
| Presenter: | Alex Ikefuna, Interim Director, Office of Community Solutions |
| Staff Contacts: | Alex Ikefuna, Interim Director, Office of Community Solutions Brenda Kelley, Office of Community Solutions |
| Title: | Designation of MACAA Apartments site as a Revitalization Area |

Background:

Piedmont Housing Alliance is proposing a residential, mixed-income development on the MACAA site, located at 1025 Park Street. The project proposes 66 total units spread across a mix of 1-, 2-, and 3-bedroom unit types with rents affordable to households ranging from 30% AMI to 80% AMI. The total development cost is currently estimated at \$21,525,000. The project is expected to start construction in Summer/Fall of 2023.

MACAA Apartments Low Income Housing Tax Credit (LIHTC) application will be evaluated and scored based on criteria defined in the 2022 Qualified Allocation Plan (QAP), which factors in whether a property is in a designated revitalization area. LIHTCs are critical to the financing of the development of deeply affordable housing projects and it is a competitive application process.

An application for Site Plan approval is anticipated to be submitted in February 2022, and an application for LIHTC funding in March 2022 is anticipated.

Discussion:

Application for Virginia Housing (formerly VHDA) LIHTC program are due in March 2022. Projects seeking LIHTC support score more competitively if located within a revitalization area as defined by Virginia Code 36-55.30:2.

Alignment with City Council's Vision and Strategic Plan:

The overall development of MACAA Apartments supports City Council's visions of Quality Housing Opportunities for All; A Green City; Community of Mutual Respect; and Smart, Citizen-Focused Government.

Approval of this request is also supported by the following:

Strategic Plan Goals:

- Goal 1.3: Increase affordable housing options
- Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources (aligning health care with provision of housing for the elderly and disabled)

Comprehensive Plan Guiding Principles (2021):

- Equity & Opportunity – All people will be able to thrive in Charlottesville.
- Community Culture & Unity – Charlottesville’s rich and diverse culture and form will be celebrated, and the entire community will feel welcomed, valued and respected.
- Local & Regional Collaboration – From the neighborhood to the region, open conversations and partnerships will make the city stronger.
- Environmental Stewardship & Sustainability – The Charlottesville community will demonstrate environmental and climate leadership.
- Connections & Access – The City will consider land use and transportation in complementary ways, creating more accessible and safer mobility options for all.
- (Numerous Goals in the Comprehensive Plan also support this request).

Community Engagement:

In conjunction with its PUD rezoning request for the MACAA property, the project team engaged community members, city staff, and the Planning Commission in a series of meetings in order to identify potential impacts of the project and hear the questions and concerns of residents. Piedmont Housing Alliance convened an initial community meeting for neighborhood residents on July 27, 2021 at the Charlottesville Waldorf School Pavilion. 13 residents were in attendance. This meeting provided an opportunity to introduce the project and receive additional feedback prior to entering the process mandated by the City. The project team then held an official community meeting at Charlottesville High School on August 10, 2021, that was attended by 46 in-person and virtual attendees. Additional public comment was received at a Planning Commission work session on August 24, 2021, and at a public hearing on December 14, 2021. Following the public hearing, the Planning Commission unanimously approved the rezoning request to allow the use.

Budgetary Impact:

This request has no budget impact.

Recommendation:

Staff recommends City Council approve the attached Resolution declaring the MACAA Apartments site as being located in a revitalization area based on the following:

1. The industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; AND
2. Private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Alternatives:

City Council could choose to not support the revitalization area certification for the MACAA Apartments site, which could have a negative impact on the LIHTC application.

Attachments:

Resolution

RESOLUTION

Revitalization Area Certification for MACAA Apartments site/1025 Park Street Parcel Numbers: 470007100, 470011000 & 470080000

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the MACAA Apartments site is located within a Revitalization Area, defined by Virginia Housing (formerly Virginia Housing Development Authority) as any area that 1) the industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; AND 2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Approved by Council
January 3, 2022

Kyna Thomas
Clerk of Council