

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



Agenda Date:	January 18, 2022
Action Requested:	Resolution
Presenter:	Alex Ikefuna, Interim Director, Office of Community Solutions
Staff Contacts:	Alex Ikefuna, Interim Director, Office of Community Solutions
Title:	Designation of CRHA 6th Street site as a Revitalization Area And Financial Resolution Supporting 6th Street site

Background:

Charlottesville Redevelopment and Housing Authority (CRHA) is proposing a 3-phase residential redevelopment of their 6th Street site, located at 715 6th Street SE. The first phase of this project proposes 45 total units in a 4-story apartment building, ranging from 0% AMI to 60% AMI. It will include 9 (1-bedroom); 20 (2-bedroom) and 16 (3-bedroom). This phase will also require the demolition of 6 of the current public housing townhouses in order to construct the new apartment building. The total development cost is currently estimated at \$21,000,000.00. The first phase of the project is expected to start construction in March 2023.

CRHA will be applying for Low Income Housing Tax Credits (LIHTC) for this project. This 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.

The final site plan for the phase 1 of the project and associated minor subdivision plat are anticipated to be approved in February 2022.

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. The City's support, both financially and in declaration, helps to ensure the application receives the highest possible score.

Alignment with City Council’s Vision and Strategic Plan:

The overall redevelopment of the CRHA 6th Street site 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:

A Redevelopment Committee comprised of residents, community members, CRHA Design Team and project representative, CRHA and City staff, and appointed by the CRHA Board of Directors, meets regularly and provides research, planning, community engagement and guidance to the CRHA Board on redevelopment initiative and planning progress. The CRHA Board regularly discusses the status of redevelopment activities as well as take action on redevelopment milestones at their public meetings.

Budgetary Impact:

This request does not encumber any additional funding from the City budget. It provides acknowledgement that up to \$3,000,000 in funding may be provided in the proposed City budget process.

Recommendation:

As to Revitalization Area Certification for CRHA 6th Street site/715 6th Street SE

Staff recommends City Council approve the attached Resolution declaring the CRHA 6th Street 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.

As to Financial Resolution Supporting CRHA 6th Street - Phase 1

Staff recommends City Council approve the attached Resolution supporting redevelopment of the first phase of the CRHA 6th Street site.

Alternatives:

City Council could choose to not support the revitalization area certification for this property or the financial support for Phase 1 of the redevelopment on this site, which could have a negative impact on the overall redevelopment of the property, as well as the LIHTC application.

Attachments:

Resolutions:

- Revitalization Area Certification for CRHA 6th Street site/715 6th Street SE
- Financial Resolution Supporting CRHA 6th Street – Phase 1

RESOLUTION

Revitalization Area Certification for CRHA 6th Street site/715 6th Street SE Parcel Number: 270019000

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the CRHA 6th Street site is located within a Revitalization Area, defined by the 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

RESOLUTION

**Financial Resolution Supporting CRHA 6th Street - Phase 1
Parcel Number: 270019000**

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that it hereby commits up to \$3,000,000 in the form of grants for the redevelopment of Phase 1 of the redevelopment of the 6th Street site (715 6th Street SE) subject to the Charlottesville Redevelopment and Housing Authority satisfying the conditions of a Memorandum of Understanding agreed to by the City and the Charlottesville Redevelopment and Housing Authority. The commitment of up to \$3,000,000 will help to subsidize this first phase of the project which in turn will create approximately 50 new affordable housing units in the City of Charlottesville. This commitment will be made to the Charlottesville Redevelopment and Housing Authority.

Approved by Council
January 3, 2022

Kyna Thomas
Clerk of Council