

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



Agenda Date:	January 3, 2023
Action Required:	Approve the Resolution
Presenter:	Alexander Ikefuna, Director of Community Solutions
Staff Contacts:	Alexander Ikefuna, Director of Community Solutions Brenda Kelley, Redevelopment Manager
Title:	Designation of Park Street site as a Revitalization Area (1 reading)

Background

Piedmont Housing Alliance (PHA) is proposing Park Street Senior Apartments at 1200 Park Street, a residential, affordable housing development. The project proposes a 50-apartment affordable, multifamily community for low-income seniors, behind Park Street Christian Church and its preschool building. The proposed unit mix includes 10 one-bedroom, 37 two-bedroom, and 3 three-bedroom apartment to be leased to individuals and households with incomes between 30% AMI and 60% AMI. Specifically, the affordable unit mix will be 5 homes at or below 30% AMI, 20 homes between 31% and 50% AMI, and 25 homes below 60% AMI. The affordability period will be for more than 30 years. Monthly rents will range from \$489 to \$1,650 based on the unit type and income restrictions for each unit. Park Street Senior Apartments will set aside a portion of homes to meet the needs of residents with disabilities. The project will deliver 5 fully accessible, Section 504 homes for residents with physical impairments and 2 accessible homes for residents with sensory impairments. The remaining rental homes are targeted to meet or exceed Universal Design standards. High energy efficiency standards will ensure low energy costs, and public transportation may be accessed within a quarter of a mile of the site.

As the primary source of project financing, PHA will pursue 9% Low Income Housing Tax Credits (LIHTC) ensuring affordability for a minimum of 30 years. The total development cost is currently estimated at \$16.2 million. Construction is expected to start in the first quarter of 2024.

The Park Street Senior Apartments LIHTC application will be evaluated and scored based on criteria defined in the current Qualified Allocation Plan (QAP), which provides a competitive advantage to properties in a designated revitalization area. LIHTC funding is the critical funding source for the development of deeply affordable housing projects and it is a highly competitive application process.

The final site plan is currently under review by City staff, and an application for LIHTC funding in March 2023 is anticipated.

Discussion

Application for Virginia Housing LIHTC program are due in March 2023. 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 Park Street Senior 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 rezoning request for the Park Street 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. 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 approved the rezoning request to allow the use. The City Council approved the rezoning on January 18, 2022.

Budgetary Impact

This request has no budget impact.

Recommendation

Staff recommends City Council approve the attached Resolution declaring the Park Street Senior 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 Park Street Senior Apartments site, which could have a negative impact on the LIHTC application, as well as the City's goal of creating more affordable housing.

Attachments

1. RES Park Street Revitalization Area