

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	February 21, 2023
Action Required:	Approve Resolution
Presenter:	Alexander Ikefuna, Director of Community Solutions
Staff Contacts:	Alexander Ikefuna, Director of Community Solutions Brenda Kelley, Redevelopment Manager
Title:	<b>Supporting redevelopment of 1025 Park Street A &amp; B (formerly MACAA Redevelopment) (1 reading)</b>

**Background**

The Monticello Area Community Action Agency (MACAA) has partnered with Piedmont Housing Alliance (Piedmont Housing) and Habitat for Humanity of Greater Charlottesville (Habitat) for the redevelopment of its current office and Head Start site at 1025 Park Street into a new, primarily affordable, mixed-tenure residential community. The Charlottesville Redevelopment and Housing Authority (CRHA) and the Piedmont Community Land Trust (PCLT) are other potential partnerships currently being explored.

The overall redevelopment of 1025 Park Street involves the construction of 86 new, affordable apartments and townhomes, a small number of market rate homes, and 5,000 square feet of classroom space for MACAA's Head Start preschool program. Piedmont Housing will develop 1025 Park Street A & B to provide 66 one-, two-, and three-bedroom apartments for lease to individuals and households with incomes at or below 60% AMI. The apartments will provide 7 fully accessible, Section 504 homes for residents with physical impairments and 2 accessible homes for residents with sensory impairments. In addition, 12 townhomes and 8 duplex dwellings will be developed by Habitat. Habitat typically serves families below 50% AMI. Over the last four years, Habitat has served families with an average AMI of 34%. As this request for funding support for the redevelopment includes the Habitat homes, Habitat will not be requesting additional funding from the City. The site also includes a portion of the development being developed as market-rate homes. Details are still being finalized, but this development would be outside the scope of this project and funding. Planned community amenities include community rooms, bicycle storage, elevator access and interior hallways, and access to recreation paths, open greenspace, and a potential playground serving the overall development.

As the primary source of project financing, Piedmont Housing will pursue Low Income Housing Tax Credits (LIHTC), ensuring affordability for a minimum of 30 years. As a mission-driven nonprofit, Piedmont Housing intends to maintain the property affordable in perpetuity.

The final site plan is currently under review by the City. Piedmont Housing intends to submit the

project's LIHTC application in March 2023 with an anticipated reservation of credits in July 2023. Once LIHTC funding is secured, the development team will move forward with construction documents, permitting, and securing any remaining financing with the goal of starting construction in the first quarter of 2024. Construction is scheduled to take approximately 18 months with project completion and full occupancy anticipated by the end of 2025.

### **Discussion**

Applications for the Virginia Housing (formerly VHDA) LIHTC program are due in March 2023. Virginia Housing requires that LIHTC applications include a resolution by City Council that corresponds to any financial commitment(s) made for the redevelopment project. LIHTC funding is critical to the financing of the redevelopment of 1025 Park Street A & B and it is a competitive application process. 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 1025 Park Street A & B 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 does not encumber any additional funding from the City budget. It provides acknowledgement that up to \$3,770,000 in funding may be provided.

### **Recommendation**

Staff recommends City Council approve the attached Resolution supporting redevelopment of 1025 Park Street A & B.

***Suggested motion: “I move the Resolution approving support for the redevelopment of 1025 Park Street A & B ...”***

### **Alternatives**

City Council could choose to not approve the supporting Resolution for 1025 Park Street A & B, which could have a negative impact on the LIHTC application.

### **Attachments**

1. RESOLUTION 1025 Park St A & B support 022123