

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



Agenda Date:	January 16, 2024
Action Required:	Approve Resolution
Presenter:	Samuel Sanders, Jr., City Manager
Staff Contacts:	Samuel Sanders, Jr., City Manager Alexander Ikefuna, Director of Community Solutions
Title:	Resolution to appropriate funding from the Capital Improvement Plan Contingency Account to Virginia Supportive Housing for Premier Circle PSH - \$750,000 (2nd reading)

Background

The Virginia Supportive Housing (VSH) is proposing to redevelop a property located at 405 Premier Circle, on Route 29. This is a Low-Income Housing Tax Credit (LIHTC) project.

Discussion

This proposal would potentially pre-empt the tendency for the property to slip to another buyer, which could result in a market rate or commercial development. The project is a mixed income project and would provide 80 permanent affordable housing units for very low-income households; 12 units at less than 40% AMI, and 68 units at incomes between 40% and 50% AMI. The project currently has a funding shortfall of \$1.5 million. The City and Albemarle County have agreed to split the funding gap in half and staff is requesting the City Council to approve a resolution appropriating \$750,000 from the Capital Improvement Plan Contingency Account to the Virginia Supportive Housing (VSH) to enable the redevelopment of the Premier Circle. The Piedmont Housing Alliance (PHA) owns the land, but VSH is the developer. The project cost is estimated at approximately \$24 million. The City Council approved \$186,722 for this project in FY 2023 under the Charlottesville Affordable Housing Fund (CAHF) allocation process. Construction is scheduled to start in May of 2024.

Alignment with City Council's Vision and Strategic Plan

This request aligns with the following:

Provisions in the 2021 Affordable Housing Plan.

2023 adopted Comprehensive Plan Guiding Principles

- Equity & Opportunity – All people will be able to thrive in Charlottesville.
- Community Culture and Unity – Charlottesville's rich and diverse culture and form will be celebrated, and the entire community will feel welcomed, valued, and respected.

2023 City Council Strategic Plan Framework:

- Housing - Charlottesville defines access to livable housing as a human right and works to ensure housing choices and mobility are provided for all who seek it through implementation of the Affordable Housing Plan.
- Partnerships - Charlottesville creates avenues for meaningful collaborations with partners and key stakeholders, such as the County, UVA, and nonprofits, to magnify positive community outcomes.

Community Engagement

There have been several community engagement meetings and activities conducted as part of the comprehensive plan update and affordable housing planning process. City staff has also been engaged with the development partners on a regular basis regarding funding activities, including exploring ways to spur affordable housing for the homeless population.

Budgetary Impact

The cost for this request is \$750,000, which is already budgeted in the CIP contingency account.

Recommendation

The City Manager and Staff recommend that the City Council approve the proposed request to use part of the CIP contingency fund to support the Premier Circle project. The agreement between the City and County to bridge the funding gap is a clear indication of community-wide interest in collectively solving the housing problem for the homeless population.

Alternatives

Council may elect not to approve the recommendations, which would have a negative effect on the City's goal of building affordable housing for the needy households and homeless population.

Attachments

1. Resolution_\$750,000 Supportive Housing for Premier Circle