

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



Agenda Date:	July 15, 2024
Action Required:	Approve resolution
Presenter:	Chris Engel, Director of Economic Development
Staff Contacts:	Chris Engel, Director of Economic Development
Title:	Resolution of Financial Support for 501 Cherry Avenue Redevelopment Project

Background

Piedmont Housing Alliance (PHA) and Woodard Properties are partnering to develop the site at 501 Cherry Avenue in the city into a mixed-use, affordable residential community. The site is a consolidation of five (5) parcels – nearly 1.4 acres – that contain the former IGA grocery store which had long been an anchor for the community. The development will be composed of two (2) buildings offering a total of 71 affordable rental apartments, a neighborhood-scale grocery store, and a community-focused facility for a local nonprofit.

This partnership emerged from advocacy by the Fifeville Neighborhood Association (FNA). The association worked with the City of Charlottesville to create the *Cherry Avenue Small Area Plan* in March 2021. This plan establishes a clear vision and recommendations for the Cherry Avenue corridor and surrounding Fifeville neighborhood. PHA, Woodard Properties, and FNA have since been working collaboratively on the 501 Cherry site as it represents a unique opportunity for the area.

Discussion

PHA is pursuing funding from multiple sources in an effort to fully capitalize the project. These include Low Income Housing Tax Credits, VA Department Housing of Community & Development loans, a Federal Capital Magnet Fund grant and a traditional mortgage. In the interest of helping support the creation of additional affordable housing opportunities, the City is also being requested to provide support. In March of 2024, a commitment to provide rental assistance was approved by council. PHA is now requesting that the city commit to pursue a performance agreement or similar tool that shares a portion of the incremental increase in real estate tax created by the improvements contemplated for this site in the form of an annual grant for a specified period of years. This resolution of intent will assist in completing the capital needed to commence the project.

Alignment with City Council's Vision and Strategic Plan

This item supports the Housing and Economic Prosperity elements of the Strategic Plan Framework.

Community Engagement

The *Cherry Avenue Small Area Plan* had considerable public input and engagement. Further, the Fifeville Neighborhood Association has continued to provide input into the project along with the property owners.

Budgetary Impact

There is no immediate budgetary impact. Should a performance agreement be executed in the future, the city will forgo some portion of the increase in real estate tax due to the project.

Recommendation

Staff recommends approval of the resolution

Alternatives

Attachments

1. 501 Cherry Ave Resolution to Pursue Financial support 071524