

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



Agenda Date:	July 15, 2024
Action Required:	Approve Ordinance
Presenter:	Alexander Ikefuna, Director, Office of Community Solutions
Staff Contacts:	Taylor Harvey-Ryan, Grants Program Manager Samuel Sanders, Jr., City Manager Krisy Hammill, Director of Budget Alexander Ikefuna, Director, Office of Community Solutions
Title:	Ordinance to authorize a forgivable loan to Virginia Supportive Housing for Premier Circle PSH - \$750,000 for redeveloping 405 Premier Circle into 80 permanent affordable units (1 of 2 readings)

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 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 funding shortfall of \$1.5 million dollar. 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 2024. On January 22, 2024, the City Council approved a resolution appropriating \$750,000 to help Virginia Supportive Housing to bridge the funding gap for the redevelopment of the Premier Circle PSH.

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 individuals experiencing homelessness.

Budgetary Impact

The cost for this request is \$750,000, which is already budgeted in the CIP contingency account and appropriated by the City Council on January 22, 2024.

Recommendation

The City Manager and Staff recommend that the City Council approve the ordinance to support the use of \$750,000 by the Virginia Supportive Housing for the development of the Premier Circle project. The agreement between the City and County to bridge the funding gap is a clear indication of community-wide interest to collectively solve the housing problem for individuals experiencing homelessness.

Staff recommends approval of the ordinance with permission for the City Manager to make recommended edits to the agreement as necessary to fulfill the purpose of the agreement. Staff also recommends permission for the City Manager to execute the agreement between the City and Virginia Supportive Housing.

Motion "I move that the City approve the ordinance to support the use of \$750,000 by Virginia Supportive Housing for the development of Premier Circle with permission for the City Manager to execute any amendments recommended by the City Attorney"

Alternatives

Council may elect not to approve the ordinance, which would have a negative effect on the City’s goal of meeting affordable housing for households in need and individuals experiencing homelessness.

Attachments

1. VSH Ordinance(rv)