

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



Agenda Date:	October 21, 2024
Action Required:	Approval of the Resolution to Appropriate Funds
Presenter:	Brenda Kelley, Redevelopment Manager
Staff Contacts:	Brenda Kelley, Redevelopment Manager Krisy Hammill, Director of Budget
Title:	Resolution appropriating funds for Carlton Mobile Home Park - \$379,000 (2nd reading)

Background

In August 2024, the City Council approved an Ordinance approving financial assistance to support residential rental housing at Carlton Mobile Home Park for persons of low and moderate income and authorizing the City Manager to execute and deliver a Support Agreement in connection with the same, following a request from Piedmont Housing Alliance (PHA) and Greater Charlottesville Habitat for Humanity (GCHH) to the City to provide annual support over the next five years for a total amount not to exceed \$8.7M, in the event that they effectively purchase the property and become bona fide owners of the Park.

PHA/GCHH created a special purpose entity for this project, Habitat Carlton Alliance, LLC (HCA). HCA has received financing approval and is now the bona fide owner of the property. PHA will be the fiduciary agent for HCA with all funding going to PHA.

Discussion

The Carlton Mobile Home Park Loan agreement was approved by the City Council on September 16, 2024, which provided a forgivable loan to Piedmont Housing Alliance, for the benefit of HCA to be used for the public purposes of providing funding for property acquisition. The City will provide up to \$8,700,000, or the total amount of the financing acquired for the acquisition of the property, including debt service costs from such financing whichever is less, in loan proceeds. The loan proceeds will be paid out annually (subject to appropriation) in an amount equivalent to the amount of principal and interest that will be paid by PHA on behalf of HCA in the given year.

This resolution will appropriate funding in the amount of \$379,000 to cover additional debt service costs that will be incurred by PHA in FY 25.

Alignment with City Council's Vision and Strategic Plan

This item aligns with the Affordable Housing Strategic Outcome Area and the Affordable Housing Plan.

Community Engagement

Representatives of Legal Aid Justice Center, Greater Charlottesville Habitat for Humanity, Inc., and Piedmont Housing Alliance have met with residents of the Park and have received support from at least 25% of the existing tenants with a valid lease in the Park to make an independent offer to purchase the Park.

Budgetary Impact

The funding approved by this resolution will be paid from previously appropriated funds in the Land Bank Account and the Contingency Account in the City's Capital Improvement Fund.

The remaining funding beyond FY25 to support the acquisition and redevelopment of this property will be presented to this and future Councils for consideration annually as part of the regular budget process. The obligations of the City as to any funding beyond the end of FY25 are expressly made subject to the availability of and appropriation by the City Council of sufficient public funds to support continued performance of this agreement by the City in succeeding fiscal years.

Recommendation

Staff recommends approval of the attached Resolution to appropriate funds to continue to support the acquisition of the property.

Alternatives

Do not approve the Resolution which may have a significant and negative impact on HCA's ability to cover the costs it will incur in relation to the project during FY25.

Attachments

1. Carlton Mobile Home Park Forgivable Loan Proceeds