

Policy Briefing Summary

City Council



Regarding:	Resolution of Financial Support for Park Street Christian Church Affordable Housing
Staff Contact(s):	Chris Engel, Director of Economic Development, James Freas, Deputy City Manager, Michael Goddard, NDS Interim Director
Presenter:	Madelyn Metzler, Housing Compliance Coordinator
Date of Proposed Action:	October 5, 2026

Issue

City Council is being asked to commit to pursuing a Performance Agreement or similar tool to share a portion of the incremental real estate tax increase generated by proposed improvements on Parcel 470002120. This commitment would support development of fifty (50) newly constructed affordable housing units by Piedmont Housing Alliance ("PHA").

Background / Rule

PHA is partnering with Park Street Christian Church to develop affordable housing on Parcel 470002120 within the City of Charlottesville, Virginia ("City"). The proposed project envisions fifty (50) new affordable rental units, constructed on property where improvements will increase the taxable value of the site ("Project"). Under the Virginia Code, localities may enter into Performance Agreements or similar incentive tools to support developments that meet public interest goals such as affordable housing. The attached Resolution allows the City to pursue such an Agreement, specifying that any Grant would be based on sharing up to, but not exceeding, 100% of the incremental real estate tax increase generated by the new improvements for a period of thirty (30) years.

Analysis

The requested City commitment would serve as a long-term, predictable funding source to help PHA complete the Project's capital stack and meet affordability requirements. Performance Agreements are a tool the City has used or considered in other housing-supportive contexts to catalyze production of new units. By sharing incremental tax revenue generated by the Project, the City can support affordability, without an immediate budget allocation and without reducing current tax revenue. The Project would contribute fifty (50) new affordable rental units, furthering City Council's housing goals and expanding opportunities in a location proximate to services and transit. This aligns with the City's strategic initiatives related to housing affordability and equitable development.

Financial Impact

There is no immediate budgetary impact. If a Performance Agreement is executed, the City would forgo a portion of future incremental real estate tax revenue generated by improvements on Parcel 470002120. The Agreement would specify annual grant terms for up to thirty (30) years, not to exceed 100% of the incremental tax increase.

Recommendation

City Staff recommends approval of the attached Resolution authorizing the City to pursue a Performance Agreement or similar tool supporting the Park Street Christian Church Affordable Housing Project.

Recommended Motion (if Applicable)

"I make a Motion to adopt the attached Resolution of Financial Support for Park Street Christian Church Affordable Housing Project and authorize City Staff to negotiate a Performance Agreement consistent with the terms described herein."

Attachments

1. Resolution of Financial Support for Park Street Christian Church Affordable Housing