

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



Agenda Date:	February 18, 2020
Action Requested:	Resolution
Presenter:	Brenda Kelley, Redevelopment Manager
Staff Contacts:	Dr. Tarron Richardson, City Manager Brenda Kelley, Redevelopment Manager, City Manager's Office
Title:	<b>Support for South 1<sup>st</sup> Street Phase 2 Redevelopment</b>

**Background:**

During the spring and summer of 2018, a two-part Request for Development Partner was issued by the Charlottesville Redevelopment and Housing Authority (CRHA) as a first step to begin active redevelopment of many of their properties. Following review of proposals and recommendation by the Redevelopment Committee, the CRHA Board approved entering into an Agreement with a selected Development Team at their September 2018 Board meeting. A Memorandum of Understanding (contract) with the Development Team was adopted and executed by the CRHA Board on January 7, 2019. The current top priorities of redevelopment include renovation of Crescent Halls and development of new housing on the vacant land on the South 1<sup>st</sup> Street site. In June 2019, approval of Low Income Housing Tax Credits (LIHTC) applications were received for the renovation of 105 units at Crescent Halls and construction of 62 new units of affordable and public housing on South 1<sup>st</sup> Street (aka Phase 1).

Following the June 2019 LIHTC approvals for redevelopment, CRHA proceeded with a significant resident-led planning and design process for Phase 2 of South 1<sup>st</sup> Street. This is the area north of the South 1<sup>st</sup> Street Phase 1 area, east of South 1<sup>st</sup> Street and south of Elliott Avenue. The site plan proposes demolition of existing public housing units and new construction of approximately 113 residential units plus office space and community space. An application for Site Plan approval has been submitted to the City; City Council has approved a critical slopes waiver and a Special Use Permit (SUP); and an application for Low Income Housing Tax Credit (LIHTC) funding in March 2020 is anticipated.

**Discussion:**

Applications for Virginia Housing Development Authority (VHDA) LIHTC program are due in March 2020. A requirement by VHDA for the LIHTC application is a resolution by City Council

that corresponds to any financial commitment(s) made for the redevelopment project. CRHA's LIHTC application for South 1<sup>st</sup> Street Phase 2 will be evaluated and scored based on criteria defined in the 2020 Qualified Allocation Plan (QAP). LIHTCs are critical to the financing of the redevelopment of South 1<sup>st</sup> Street and it is a competitive application process. The City's support, both financially and in declaration, helps to ensure the application receives the highest possible score.

### **Alignment with City Council's Vision and Strategic Plan:**

The overall redevelopment of public housing supports City Council's visions of Quality Housing Opportunities for All; A Green City; Community of Mutual Respect; and Smart, Citizen-Focused Government.

#### Strategic Plan Goals:

- Goal 1.3: Increase affordable housing options
- Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources (aligning health care with provision of housing for the elderly and disabled)

#### Comprehensive Plan Goals:

- Goal 3: Grow the City's housing stock for residents of all income levels
- Goal 3.1: Continue to work toward the City's goal of 15% supported affordable housing by 2025.
- Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.
- Goal 4.1: Continue to support the use of appropriate tax credit proposals submitted by private and non-profit developers within the locality to create affordable rental units, as consistent with Housing Advisory Committee policy.
- Goal 5: Support projects and public/private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.
- Goal 5.7: Support housing programs at the local and regional level that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households.
- Goal 7: Offer a range of housing options to meet the needs of Charlottesville's residents, including those presently underserved, in order to create vibrant residential areas or reinvigorate existing ones.
- Goal 7.1: To the greatest extent feasible ensure affordable housing is aesthetically similar to market rate.
- Goal 8.3: Encourage housing development where increased density is desirable and strive to coordinate those areas with stronger access to employment opportunities, transit routes and commercial services.
- Goal 8.7: Encourage the incorporation of green sustainable principles (e.g. LEED, EarthCraft Virginia, Energy Star, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs.

**Community Engagement:**

A Redevelopment Committee comprised of residents, community members, and CRHA and City staff, and appointed by the CRHA Board of Directors, meets regularly and provides research, planning, community engagement and guidance to the CRHA Board on redevelopment planning progress. The CRHA Board regularly discusses the status of redevelopment activities as well as taking action on redevelopment milestones at their public meetings.

A public site plan conference was held on November 16, 2019.

**Budgetary Impact:**

This request does not encumber any additional funding from the City budget. It provides acknowledgement that up to \$3,000,000 in funding may be provided in future proposed City budget processes for South 1<sup>st</sup> Street Phase 2 redevelopment. Funding may be allocated over more than one budget year.

**Recommendation:**

Staff recommends City Council approve the attached Resolution supporting redevelopment of South 1<sup>st</sup> Street Phase 2.

**Alternatives:**

City Council could choose to not approve the supporting Resolution, which could have a negative impact on the LIHTC application.

**Attachments:**

Resolution

## **RESOLUTION**

### **Financial Resolution Supporting South 1<sup>st</sup> Street Parcel Number: 260115000**

**NOW, THEREFORE BE IT RESOLVED** that the Council of the City of Charlottesville, Virginia hereby commits up to \$3,000,000 in the form of grants for the redevelopment of South 1<sup>st</sup> Street Phase 2. The commitment of up to \$3,000,000 will help to subsidize this project which in turn will create approximately 113 new or replacement affordable housing units in the City of Charlottesville. This commitment is currently programmed into the City of Charlottesville's Capital Improvement Program over a two-year period beginning on July 1, 2020 and concluding on June 30, 2022. This commitment will be made to Charlottesville Redevelopment and Housing Authority.