

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



Agenda Date:	February 18, 2025
Action Required:	Approve Resolution
Presenter:	Brenda Kelley, Redevelopment Manager
Staff Contacts:	Brenda Kelley, Redevelopment Manager
Title:	Financial Resolution Supporting Kindlewood/Friendship Court Phase 3

Background

Kindlewood/Friendship Court is a mixed-use, mixed-income, phased redevelopment comprised of four phases all of which will take place on the existing site. Each phase is an independent phase. A fundamental goal of the redevelopment is no displacement of current residents, hence the need for a phased development. The total duration of all phases is not expected to exceed ten years. This redevelopment approach is the direct result of the current Kindlewood/Friendship Courts residents' vision for the redeveloped Kindlewood/Friendship Court and its future. The completed redevelopment will result in approximately 425-475 residential units and a variety of commercial, community, educational, and retail establishments. The redevelopment is intended to further incorporate Kindlewood/Friendship Court and its residents into the fabric of the City of Charlottesville.

In alignment with the previously approved phasing plan developed by the resident-led Advisory Committee, two applications for Low Income Housing Tax Credit (LIHTC) funding for the Phase 3 rental units will be submitted in March 2025 (Phase 3A/55units and Phase 3B/24 units).

Once Phase 2 construction is complete, Phase 3 will begin with the demolition of 54 existing units (these families will already be re-housed in new Phase 2 units) and follow with the construction of approximately 85 new affordable homes. Of these, 79 will be affordable rental units and the other 6 will be affordable homes for purchase. The homeownership units will likely be developed under a community land trust model to ensure permanent affordability. In addition, the remainder of the public Park will be built in Phase 3.

The housing in Phase 3 will include multifamily buildings and townhomes. Phase 3A will include 55 rental units. Phase 3B will include 24 rental units spread across three buildings. Construction of the six for-sale townhomes is expected to be concurrent with the construction of the rental units.

All homes in Phase 3 will serve households at three tiers of affordability. Of the 79 rental units, 50 "Tier 1" units will be replacement Section 8-subsidized units, eight "Tier 2" units will be for households with incomes between 30-60% AMI, and 21 "Tier 3" units will be for households with

incomes between 60-80% AMI. The six homeownership units are anticipated to serve households with incomes at or below 30-80% AMI.

Discussion

Applications for Virginia Housing LIHTC program are due in March 2025. Virginia Housing LIHTC application requires a resolution by City Council that corresponds to any financial commitment(s) made for the redevelopment project. LIHTCs are critical to the financing of the redevelopment of Kindewood/Friendship Court 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. The City has previously supported the Phase 1 and Phase 2 redevelopments.

Alignment with City Council's Vision and Strategic Plan

This request aligns with City Council's Vision "To be a place where everyone thrives" and the following:

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.

Economic Prosperity – Charlottesville develops strategies and economic development opportunities that drive economic prosperity for all.

Recreation, Arts, Culture – Charlottesville provides, encourages, and supports a wide range of recreation, green space, arts, and cultural programs and opportunities.

Provisions in the 2021 Affordable Housing Plan

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.

Comprehensive Plan Goals/Strategies:

- Future Land Use Vision Strategy 2.1: Through City-led efforts and private development, expand community access to housing, as well as amenities and services that improve quality of life.
- Housing Goal 1: Funding Commitments
- Housing Goal 2: Diverse Housing Throughout the City
- Housing Goal 4: Energy and Water Efficiency

Community Engagement

In February 2016, at the outset of considering [redevelopment](#), a critical choice was made to establish a formal [Advisory Committee](#), a cohort of nine Friendship Court residents elected by their neighbors to represent them through the process, plus six members from the at-large Charlottesville community. Led by the resident members, they have become genuine partners in planning their

community's future, co-designing every aspect of the site, with all major decisions passing through their hands. The resident members, like any other consultants, are paid for their time and expertise.

In addition to the resident-led redevelopment, there have been door to door efforts to garner feedback and a number of Community events have been held intended to educate all Kindlewood/Friendship Court residents on the redevelopment efforts. There is also an on-site Community Organizer, who works daily to keep residents informed about the redevelopment plans. All of these efforts are ongoing.

Budgetary Impact

This request does not encumber any additional funding from the City budget. It provides acknowledgement that up to \$4,150,000 in funding may be provided.

Recommendation

Staff recommends City Council approve the attached Resolution supporting redevelopment of Kindlewood/Friendship Court Phase 3.

Alternatives

City Council could choose to not approve the supporting Resolution for Kindlewood/Friendship Court Phase 3, which could have a negative impact on the award of funding through the LIHTC applications.

Attachments

1. Resolution FC Phase 3 fin support Feb2025 (1)