

RESOLUTION SUPPORTING KINDLEWOOD/FRIENDSHIP COURT PHASE 3;
PARCEL NUMBER: 280112000

WHEREAS, the Piedmont Housing Alliance (“PHA”) is continuing to redevelop the 11.75-acre Friendship Court property in the City of Charlottesville, Virginia (“City”), in four (4) Phases over the next four (4) to five (5) years; and

WHEREAS, this \$100 million+ project (“Project”) includes the creation of approximately 400 affordable units, with multiple tiers of affordability; and

WHEREAS, the redevelopment Project will also include commercial and community space, as well as associated infrastructure and parking; and

WHEREAS, to help facilitate Project financing, PHA has again requested that the City consider a Performance Agreement that will share the incremental increase in real estate tax revenue generated by the investment; and

WHEREAS, with a commitment from the City to contribute the future revenue stream (as a Grant), PHA will leverage this to create a portion of the funds needed to fund Phase 3 of the Project; and

WHEREAS, Phase 3 will specifically help to subsidize the creation of approximately seventy-nine (79) newly constructed affordable housing units; and

WHEREAS, PHA’s request does not ask for additional current revenue, it only requests future revenue that comes with an increased tax base. (As a point of clarification, the City has allocated a contribution to this Project as part of its annual Capital Improvement Plan. The proposed Performance Agreement discussed herein is separate and distinct from that contribution); and

WHEREAS, the City, in conjunction with the Charlottesville Economic Development Authority, has used the Performance Agreement concept in the past to incentivize significant capital investment and the creation and preservation of affordable housing. There is no risk to the City, as the Grant occurs only after the investment has been made, and once the additional tax increment materializes. The City does forego a portion of the real estate tax generated by the Project until the Performance Agreement terminates; and

WHEREAS, similar Performance Agreements are in place for Phases 1 and 2 of the Project.

NOW, THEREFORE BE IT RESOLVED, that City Council hereby commits to PHA to pursue a Performance Agreement that shares a portion of the incremental increase in real estate tax created by the improvements contemplated for the Project, in the form of an annual Grant for

a specified period of years, all as specified in a Performance Agreement in a form and substance required by the City; and

BE IT FINALLY RESOLVED, that the Grant will support the redevelopment of Phase 3 of the Project, and the commitment will specifically help to subsidize the creation of approximately 79 newly constructed affordable housing units in the City, through Phases 3A and 3B.

Approved by City Council
March 4, 2025

Kyna Thomas, MMC
Clerk of Council