

Policy Briefing Summary

City Council



Regarding:	Resolution Authorizing CRHA to Issue up to \$7,000,000 in Tax-Exempt Revenue Bonds for Kindewood Phase 3
Staff Contact(s):	Madelyn Metzler, Housing Compliance Coordinator
Presenter:	James Freas, Deputy City Manager
Date of Proposed Action:	April 27, 2026

Issue

The Charlottesville Redevelopment and Housing Authority (“CRHA”) requests the Council of the City of Charlottesville, Virginia (“City Council”), approval to issue up to \$7,000,000 in tax exempt revenue bonds as a conduit issuer to support financing for Phase 3 of the Kindewood Redevelopment Project (“Project”) in the City of Charlottesville, Virginia (“City”). Phase 3 of the Project consists of eighty-five (85) units, including twenty-four (24) townhomes, to be financed with tax exempt bonds and Low-Income Housing Tax Credit (“LIHTC”) equity.

This item was originally scheduled for consideration at the April 20, 2026 City Council meeting. The item was rescheduled to this special meeting so that the notice could be corrected to reflect the accurate bond amount of up to \$7 million.

Background / Rule

Piedmont Housing Alliance (“PHA”) is leading a redevelopment of Friendship Court into Kindewood, replacing 150 existing townhome apartments with a 385-unit income-tiered community that includes resident services, a community resource center, a central park, and an early learning center. The Project phasing prioritizes the prevention of displacement of existing residents.

Pursuant to Virginia Code § 36-19(10), attached, Virginia Public Housing Authorities are authorized to issue revenue bonds to help finance affordable rental housing. As proposed, CRHA would act solely as a conduit issuer for bonds benefiting the PHA-affiliated ownership entity for Phase 3 of the Project, enabling access to 4% LIHTCs in combination with bond proceeds.

The bonds would not be general obligations of CRHA, the City, or the Commonwealth. Payment obligations and all costs, including closing costs and CRHA’s fees, would be the responsibility of PHA, the borrower. On March 23, 2026, CRHA’s Board of Commissioners adopted an inducement Resolution authorizing issuance up to \$7,000,000, subject to City Council approval.

Analysis

Approval would allow CRHA to issue tax-exempt revenue bonds as an intermediary to support PHA’s financing plan for twenty-four (24) townhomes in Phase 3 of the Project, leveraging bond financing with LIHTC equity to advance the broader Kindewood redevelopment. Because CRHA would serve only as a conduit issuer, the action introduces no direct repayment obligation or credit risk for CRHA or the City; PHA, the borrower, is responsible for all bond-related payments and costs. Facilitating the Project Phase 3 financing supports City strategic initiatives related to housing; recreation, arts, and culture; and partnerships.

Financial Impact

There is no direct financial impact from this action.

Recommendation

City Staff recommends that City Council, as authorized by Virginia Code § 36-19(10), adopt the attached Resolution authorizing CRHA to issue up to \$7,000,000 in bonds for Phase 3 of the Project.

Recommended Motion (if Applicable)

"I Move, as authorized by Virginia Code § 36-19(10), to adopt the Resolution authorizing CRHA to issue up to \$7,000,000 in bonds for Phase 3 of the Project."

Attachments

1. Resolution Authorizing CRHA to Issue up to \$7,000,000 in Tax-Exempt Revenue Bonds for Kindlewood Phase 3
2. Virginia Code Section 36-19
3. CRHA Resolution Authorizing and Approving the Issuance of up to \$7,000,000 Multifamily Revenue Bonds for Kindlewood Apartments