



September 7, 2022

The City Council of Charlottesville, Virginia

Via E-mail only:

Mayor Snook – lsnook@charlottesville.gov

Vice Mayor Wade – wadej@charlottesville.gov

Sena Magill – smagill@charlottesville.gov

Brian Pinkston – pinkstonb@charlottesville.gov

Michael Payne – mpayne@charlottesville.gov

Re: Affordable Housing Donation to the City of Charlottesville

Dear Members of City Council:

On behalf of Aspen Topco II Acquisition, LLC, (“Aspen Heights Partners”) I am pleased to offer this letter setting forth terms of a \$568,800 donation to the City of Charlottesville for the City’s Housing Fund. This donation is in recognition of the City’s deep commitment to equity and inclusion as witnessed by its recent efforts to adopt the March 2021 Affordable Housing Plan, as well as updates to the City’s Comprehensive Plan both of which contain express strategies to address affordable housing throughout the City. Aspen Heights Partners is also committed to principles of equity and inclusion and believes that our donation is in keeping with the values that we aspire to every day.

As recommended in the Affordable Housing Plan, the City seeks to commit \$10,000,000 annually for affordable housing programs over the next ten years. It is our desire that this donation be used to fund housing programs adopted by the City and consistent with the Affordable Housing Plan.

Aspen Heights Partners has committed to becoming a reliable partner within the Charlottesville community. As you know, we propose to build 119 units of new housing near the grounds of the University -- at 2005 and 2007 Jefferson Park Avenue (the “Project”). As part of the approvals for the Project, we also will be making a cash contribution for affordable housing in the amount of \$484,279.78, pursuant to City Code Section 34-12 (“Affordable Dwelling Unit Ordinance”). Our \$568,800 donation is separate from, and in addition to this \$484,279.78 contribution. The \$568,800 donation is not proffered, nor is it intended as any inducement for the City’s approving the Project.

Aspen Heights Partners recognizes that the City’s Comprehensive Plan, specifically the Zoning Diagnostic and Approach report issued June 16, 2022, indicates a future affordable



housing target as 60% AMI in lieu of the current target of 80% AMI. The City's Office of Community Solutions has yet to develop a methodology for determining potential cash in lieu contributions at the 60% AMI threshold. The Department of Neighborhood Development Services, however, has shared with us an Urban Institute publication suggesting a methodology for determining in-lieu fees in inclusionary zoning policies. We have adopted such a methodology to help us arrive at a cash in lieu contribution using a 60% AMI threshold (the "60% AMI In-lieu Fee Formula"). The use of the 60% AMI In-lieu Fee Formula increases dramatically the resulting total contribution for affordable housing over that which is currently required by the Affordable Dwelling Unit Ordinance.

The Affordable Dwelling Unit Ordinance Worksheet requires in this instance nine units, or a cash in lieu payment of \$484,279.78. Accordingly, Aspen Heights Partners' donation for these purposes has been calculated by taking the difference between: (1) the required cash in lieu contribution arrived at using the current Affordable Dwelling Unit Ordinance Worksheet and (2) the cash in lieu contribution arrived at using the Revised ADU to a 60% AMI In-Lieu Fee Formula. See table below:

	\$1,053,079.74 (calculation of 9 units @ 60% AMI)
-	\$484,279.78 (Affordable Dwelling Unit Ordinance Contribution)
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	\$ 586,800.00 (Donation)

Payment of the donation shall be conditioned on the issuance of SP 2022-000001 and receipt of a final, non-appealable site plan approval for the Project. The donation shall be made within ninety (90) days of the issuance of a certificate of occupancy for the first unit in the Project.

We are very pleased to make this donation to help address a critical need and look forward to a lasting and mutually beneficial relationship with the Charlottesville community.

Sincerely,

Aspen Topco II Acquisition, LLC


David J Helfrich



cc: Mr. Samuel Sanders
Mr. James Freas
Lisa Robertson, Esq.
Ms. Kyna Thomas, City Council Clerk