



City of Charlottesville
Application for Funding Interest

(all items must be completed)

1. Applicant Information

Organization/Applicant name:

Contact name:

Title:

Organization Address:

Phone:

Email:

2. Project Information

Project Name:

Project Location:

Project Description:

Explain the status of applicant's site control:

Purpose of requested funding: (check all that apply)

_____ New Construction

_____ Acquisition

_____ Rehabilitation

_____ Other: _____

Project type: (check all that apply)

- Multi-family
- Single family (detached)
- Single family (attached)
- Rehabilitation
- New Construction
- Acquisition
- Other: _____

Income restrictions on project (indicate proposed number of units meeting each Area Median Income (AMI) category):

- _____ Incomes up to 30% AMI
- _____ Incomes between 30% and 50% AMI
- _____ Incomes between 50% and 60% AMI
- _____ Incomes between 60% and 80% AMI
- _____ Unrestricted units (>80% AMI)
- _____ Total Units

Term of Affordability (indicate proposed number of units meeting each affordability term):

- _____ 5 - 10 years
- _____ 10 - 20 years
- _____ 20 - 30 years
- _____ more than 30 years
- _____ Total Units

3. Funding Requested

Provide total amounts requested during City fiscal budget year based on construction timelines (add more lines if necessary).

Funding Item	Funding Amount(s) Requested by Need During Fiscal Year				
	FY2023-2024	FY2024-2025	FY2025-2026	FY2026-2027	FY2027-FY2028

4. Project Proposal

Please provide following information as separate attachments to the application:

1. **Project Description** -- Provide a description of the proposed project. Include: project type and location, short and long term goals, the population(s) to be served. Discuss plans for accessibility/adaptability, energy conservation and/or any green building components.
2. **Demonstration of Need** -- Describe how the project contributes to the City of Charlottesville's housing goals.
3. **Demonstration of Equity** – Describe how this project demonstrates and promotes equitable housing needs and economic opportunity for low-income residents in the City of Charlottesville.
4. **Project Readiness** -- Provide evidence of: organizational experience and capacity to manage the project; pursue and acquire land, site control, required zoning variance and permitting (if applicable); financial commitments for the projects; community engagement plan (if applicable); resident relocation plan (if applicable); plans for preparation and coordination of necessary public meetings (if applicable).
5. **Project Budget** -- Provide a detailed description of the proposed project budget showing sources and uses. The project budget shall clearly show the financial gap requiring the need for City funding, in addition to a clear description of the reason for the financial gap.

- 6. **Project Schedule** -- Indicate the proposed project schedule; timing of starting construction and completing affordable housing units; pre-development, anticipated pursuit and acquisition timeline, site control, zoning approval, financing and construction milestones (if applicable) to project completion.
- 7. **Experience** -- Provide a summary of similar activities completed by the organization and project team.
- 8. **Capacity** – Provide a detailed description to demonstrate the applicant’s administrative, financial and personnel capacity in relation to its ability to complete this project.
- 9. **Property Maintenance Management Plan** – Provide a summary of activities intended in order to maintain the completed project including, but not limited to, on-site management, 24-hour responsible contact, long-term maintenance budgeting, staffing capacity, etc.

Authorization:

Organization Name: _____

Project Title: _____

I, _____ certify that I am authorized to submit
 (Authorized Organization Official – print name)

this application for funding interest to the City of Charlottesville. I certify that all information contained herein is accurate to the best of my knowledge. I understand that no funding is guaranteed.

 Signature

 Date

 Title



*Application to the City of Charlottesville
Housing Development Project Investments (HDPI)*

PROJECT TITLE:
FORMER IGA GROCERY ON CHERRY AVENUE

1. Project Description -- Provide a description of the proposed project. Include: project type and location, short and long term goals, the population(s) to be served. Discuss plans for accessibility/adaptability, energy conservation and/or any green building components.

Piedmont Housing Alliance and Woodard Properties are discussing a partnership to develop a Fifeville site into a mixed-use, mixed-income development, with retail, multiple community-focused facilities for nonprofits, and affordable and market-rate apartments. The site includes five properties – nearly 1.4 acres – that contain a former grocery store (the Estes IGA), which had long been an anchor for the community.

This potential partnership comes as the Fifeville neighborhood's "Cherry Avenue Small Area Plan" is evolving from planning to implementation. The plan, finalized in March 2021, is intended to create a clear vision for the Cherry Avenue corridor and surrounding Fifeville neighborhood, provide recommendations for making the vision happen, and guide the actions of city officials. It sets forth recommendations for a range of areas – from place-keeping and community-building to economic development, housing, land use, transportation, and parks and recreation. In addition, the Cherry Avenue plan aligns with the City's Comprehensive Plan, adopted in 2013, which called for small area planning efforts as a way to provide special and detailed attention to neighborhoods.

The overall goals of the Cherry Avenue Small Area Plan resonate with Piedmont Housing's mission to "create affordable housing opportunities and foster community through education, lending, and equitable development" and our core values of home, opportunity, community, respect, and equity. The vision for this important city neighborhood and corridor includes rebuilding and strengthening the sense of belonging, inclusion and community in Fifeville; lifting up and preserving Fifeville's legacy of African American leadership and highlighting the neighborhood's unique sense of place as a culturally diverse community; ensuring low-income residents, people of color and generational residents are able to remain in Fifeville and benefit from neighborhood investments; investing in empowerment and upward mobility for neighborhood residents at the most vulnerable end of the socio-economic scale; encouraging new development that advances equity, is financially and socially accessible to residents and represents Fifeville; and providing a safe and more connected community that creates access and opportunities for residents; and increase health and well-being of neighborhood residents.

Piedmont Housing is requesting funding in the amount of \$2,025,000 from the City of Charlottesville to support the development of up to 45 LIHTC affordable apartments, at 501 Cherry Avenue, the former IGA site, to serve city residents with low-incomes.

2. Demonstration of Need -- Describe how the project contributes to the City of Charlottesville's housing goals.

In every respect, the Cherry Avenue neighborhood is one of the most diverse in the city. With approximately 1,486 households (total of 3,767 people), incomes range from nearly 18% earning less than \$10,000, to 15% making between \$15,000 and \$24,999, 13% bringing in \$35,000 to \$49,999, and 13% earning between \$100,000 and \$149,999. Along racial lines, 36% of Fifeville residents are white, 56% are Black, and 5% are Asian. Almost half get to work via car or truck, while 17% carpool, 16% walk, 2% bike and 6% work from home.

The educational attainment of Fifeville residents is diverse as well: nearly 13% have no high school diploma, 32% completed high school, 12% went to college but did not graduate, 16% have bachelor's degrees, and 13.6% have graduate or professional degrees.

Fifeville's diverse demographics also mean that affordable housing is a key issue, as it is throughout the City where, according to the 2018 Housing Needs Assessment, 23% of Charlottesville residents are cost-burdened, spending more than 50% of their incomes on rent. While residents are interested in seeing economic development and commercial investment along Cherry Avenue, they also hope to maintain and improve access to affordable housing options in Fifeville. Residents hope to maintain ability to afford to rent or own a home in the neighborhood even as the community continues to develop and flourish.

The community possesses many strengths. Residents take great pride in their neighborhood and have a strong sense of community. They like the small-town feel, nearby parks, green spaces and walkable streets. The neighborhood has a rich history and many, especially long-time residents, hold onto vivid memories of Fifeville's legacy as a Black community starting prior to the Civil Rights Movement. Fifeville is conveniently located – between the downtown mall and UVA and served by major public transportation lines.

On the other hand, people have concerns about how safe it is to walk and bike, about the speeding traffic and congestion, limited food access, lack of affordable after school programs, and lack of diverse businesses. Gentrification, encroachment of intensive development, and erosion of neighborhood character pose serious threats.

In between the strengths and weaknesses, people envision opportunities. Residents would like to see existing housing preserved and affordable housing, including subsidized housing for low-income residents, incorporated throughout the neighborhood, as opposed to being isolated. They would like their community to incorporate more business variety, improved access to food, support for entrepreneurs and small businesses, reinvestment in vacant lots, improved bike and pedestrian safety, and new partnerships.

3. Demonstration of Equity – Describe how this project demonstrates and promotes equitable housing needs and economic opportunity for low-income residents in the City of Charlottesville.

The Cherry Avenue Small Area Plan incorporated a public engagement process, whereby the Fifeville Neighborhood Association worked directly with the Thomas Jefferson Planning District Commission to engage as many community members as possible. While the planning team was only able to reach a fraction of the roughly 3,700 residents, the feedback that was received was critical in shaping the plan's final recommendations. Efforts were made to go beyond typical public meetings and reach out directly to residents at times and places most convenient for them.

For example, the Cherry Avenue Think Tank, made up of community residents identified by the Fifeville Neighborhood Association, each contributed a diverse level of expertise and background to the process. They

met monthly, taking on a greater role with community outreach and engagement, as the project progressed. They provided feedback and oversight on project deliverables, brought ideas, suggestions and concerns from the neighborhood to the attention of staff, and served as project champions for the neighborhood.

Focus groups, designed to solicit specific feedback from stakeholder groups identified by the Think Tank, were held. The focus groups provided more in-depth information on specific topics – such as transportation, education, business owners, and the community's youth. In addition, "front porch discussions" were held. These informal meetings and discussions, typically held on the people's front porches, became popular and expanded; they also became one of the greatest sources of honest dialogue with the community.

4. Project Readiness – Provide evidence of: organizational experience and capacity to manage the project; pursue and acquire land, site control, required zoning variance and permitting (if applicable); financial commitments for the projects; community engagement plan (if applicable); resident relocation plan (if applicable); plans for preparation and coordination of necessary public meetings (if applicable).

As an experienced affordable housing developer and property manager, with demonstrated progress towards meeting project-readiness milestones, Piedmont Housing is poised to continue productive discussions with Woodard Properties to determine final scope of housing and commercial spaces.

5. Project Budget -- Provide a detailed description of the proposed project budget showing sources and uses. The project budget shall clearly show the financial gap requiring the need for City funding, in addition to a clear description of the reason for the financial gap.

Piedmont Housing Alliance requests \$2,025,000 in funding from the City of Charlottesville for this project. The development and operating budget, however, will not be developed until site and improvement plans are decided. We are, however, certain that 9% LIHTC will be pursued to finance most construction costs and to ensure long-term affordability. Because LIHTC limits annual rents which, in turn, limits the maximum amount of financing the project will absorb, Project Based Vouchers (PBVs) and soft/quiet financing administered by DHCD will be pursued, including National and Virginia Housing Trust Fund dollars.

Sources

Tax Credit Equity	\$7,822,000
First Mortgage	\$5,975,000
City CIP Funds	\$2,025,000
Other Subordinate Loan(s)	\$2,000,000
Other Grants	\$1,500,000
Deferred Developer Fee	\$550,000
TOTAL	\$19,872,000

Uses

Acquisition	\$900,000
Construction	\$14,551,000
Architecture & Engineering	\$573,000
Owner's Construction Costs	\$290,000
Professional Services	\$149,000
Financing Costs	\$1,172,000
Partnership Costs	\$91,000
Operating & Carrying Costs	\$46,000

Reserves & Escrows	\$300,000
Developer's Fee	\$1,800,000
TOTAL	\$19,872,000

6. Project Schedule -- Indicate the proposed project schedule; timing of starting construction and completing affordable housing units; pre-development, anticipated pursuit and acquisition timeline, site control, zoning approval, financing and construction milestones (if applicable) to project completion.

If the partnership with Woodard Properties moves forward, a project schedule will be determined.

7. Experience -- Provide a summary of similar activities completed by the organization and project team.

Since 1983, Piedmont Housing Alliance has been the go-to nonprofit affordable housing organization throughout the Charlottesville region, providing a continuum of resources: assisting more than 1,000 low-income households purchasing a home; supporting thousands more through financial counseling services; backing the financing and construction of over 100 affordable single family homes; financing the preservation, construction and rehabilitation of nearly 1,000 affordable rental homes; and currently managing nearly 700 affordable rental homes.

Piedmont Housing has been a certified Community Housing Development Organization (CHDO) since 1997 and currently manages 13 affordable housing communities. Previously completed projects include leveraging \$18 million for 181 units of new rental housing development and rehabilitation of existing units, between 2015 and 2018. In 2015, Piedmont Housing provided \$1,079,029 for the rehabilitation of 30 rental units of affordable housing, reserved for low-income seniors, in the rural community of Crozet. In 2016, Piedmont Housing provided \$950,000 and was a development partner on a \$10.7 million housing project that created 54 units for low-income seniors, acting as a primary conduit for project financing for land acquisition as a CHDO and nonprofit partner to enable LIHTC financing. In 2017, Piedmont Housing leveraged \$6,273,332 for the acquisition and rehabilitation costs for an additional 97 units in Albemarle County.

Pipeline Projects:

Piedmont Housing has several other affordable housing developments in its pipeline:

- Hickory Hope Apartments, a 121-home affordable housing community for households with incomes from below 30% up to 80% AMI, was successfully allocated LIHTC credits in June 2021. This three-building project is financed via a combination of 9% LIHTC, 4% bonds, National and Virginia Housing Trust Fund dollars, and Housing Innovations in Energy Efficiency grant dollars. The project was granted eight Project-Based Vouchers by Albemarle County. The Subsidy Layering Review is underway, and construction is slated to begin spring 2023. The project is located in the larger Southwood Community redevelopment area, a community-led redevelopment of a trailer park south of Charlottesville, which is being master planned and developed by Habitat for Humanity of Greater Charlottesville.
- Park Street Senior Apartments, a 50-unit affordable housing community for people over 55-years old and people with disabilities, will be developed utilizing 9% LIHTC financing and will include one-, two-, and three-bedroom floorplans targeted to households with incomes between 30% and 60% AMI. The development is a partnership with Park Street Christian Church that is dedicating nearly half of the wooded area behind its sanctuary and preschool buildings for affordable housing. Project-Based Vouchers for this new community are also being sought.

- Piedmont Housing is one of three partners working with Monticello Area Community Action Agency (MACAA) to redevelop its current Head Start and office site at 10215 Park Street into a new, primarily affordable, mixed-tenure residential community. The overall MACAA redevelopment involves the construction of an affordable residential neighborhood that includes affordable rental multifamily housing, along with homeownership townhomes, and duplexes, a small number of market rate units, and 5000 square feet of classroom space for MACAA's Head Start day care program. Piedmont Housing will develop MACAA Apartments as two multi-family buildings which will provide 66 one-, two-, and three-bedroom apartments for lease to people with incomes below 60% AMI.
- Currently, construction is underway on Phase I of the redevelopment of Friendship Court Apartments, a Project-Based Section 8 subsidized apartment complex serving 150 families in Charlottesville. Phase I of redevelopment includes one-for-one replacement of 46 of the existing Project-Based Section 8 homes, as well as 60 additional new homes serving households ranging from 30 to 80% AMI. Project funding includes LIHTC equity, Virginia DHCD ASNH funds, and City of Charlottesville funding. The Phase I project will be completed October 2023. By the end of all four phases in 2029, all 150 existing Section 8 subsidized homes will be replaced, and an additional ~300 new homes will be added to create a tiered-income community model serving households from below 30% AMI up to 80% AMI. All homes will be protected with long-term affordability restrictions.

8. Capacity – Provide a detailed description to demonstrate the applicant's administrative, financial and personnel capacity in relation to its ability to complete this project.

Piedmont Housing has strong administrative, financial, and personnel capacity to successfully complete this project.

Piedmont Housing's experienced Real Estate Development team includes:

- Executive Director, Sunshine Mathon: Sunshine has 15+ years of experience in the affordable housing arena and is responsible for all aspects of project development including: planning, leveraging resources, underwriting, pipeline development, relationship-building, and partnership management. He was specifically hired to oversee the Friendship Court redevelopment and to develop a strong pipeline of future projects, including finding public and private funding sources, and developing strong partnerships with elected officials, partner agency nonprofits, and planning agencies to successfully structure a complex, community-responsive, economically viable strategy for redevelopment. Prior to joining Piedmont Housing, Sunshine was Director of Real Estate Development for Foundation Communities in Austin, Texas. During his 10-year term, he had oversight of \$200 million in sustainable, affordable housing development including over 1,000 units. He is well-versed in gathering and supervising integrated teams of staff, architects, engineers, contractors, and consultants through all phases of development, and his management of contractors includes adherence to strict funding-driven construction schedules and budget. Sunshine's experience also includes an inclusive community focus, as well as the development of services such as an early childhood center for affordable housing residents. He holds a Masters in Architecture from the University of Texas, Austin.
- Director of Real Estate Development, Michael Eaton, PhD: Michael, who will join Piedmont Housing in January 2023, has over 30 years' experience in community and real estate development, focused on construction, acquisition, rehabilitation, and operation of affordable housing. Most recently he provided consulting services to Maricopa County, AZ, aimed at improving the efficiency and broadening the work of the housing and community development division, including spearheading new gap financing efforts in support of LIHTC projects facing shortfalls due to the pandemic. Michael also served as senior policy advisor, analyst and strategist for Affordable Housing Solutions in Dallas TX. In this role, he advised,

crafted and implemented policy for private clients, elected officials and international bodies on issues related to affordable housing and homelessness at the state, local and federal level with the goal of economic development and promoting safe, decent and affordable housing and supportive services for low- and very low-income populations. He received a Ph.D. in Finance from the Academy for International Modern Studies (London) and J.D. from Southern Methodist University

- Senior Real Estate Development Manager, Mandy Burbage: Mandy joined Piedmont Housing in 2020 with 13 years of planning and development experience in the Charlottesville area. Mandy most recently managed land development and entitlement activities for Habitat for Humanity of Greater Charlottesville, including the successful rezoning of Southwood Mobile Home Park, a resident-led, master planned trailer park redevelopment with a commitment to resident non-displacement. Prior to Habitat, Mandy worked in the public sector as a senior land use planner. She is currently the project manager for the redevelopment of Friendship Court, managing construction on the first phase while coordinating resident engagement, entitlement, design, and permitting efforts for subsequent phases. She holds a Masters in Urban and Environmental Planning from the University of Virginia.
- Real Estate Development Manager, Ernesia Coles: Ernesia joined Piedmont Housing in March 2022 bringing 15+ years of experience in community engagement and organizing, creative placemaking, property and asset management, and affordable housing development. She served as Executive Director of the Danville Neighborhood Development Corporation where she partnered with local government and foundations to develop resident-led neighborhood revitalization strategies, home improvement programs, and the Danville Land Bank. As Executive Director of Northside Community Housing in St. Louis, she raised over \$32.5 million in multi-layered financing for affordable residential and mixed-use real estate development. Ernesia holds degrees from the University of Virginia and Washington University.

In addition, Chief Financial Officer (CFO) William Bush has 11 years of experience leading financial operations for real estate development and management companies. Prior to joining Piedmont Housing in 2016, William worked for 4.5 years as Comptroller for Park Properties Management, a for-profit affordable housing property management firm. Prior to Park Properties Management, William served as Controller for Virginia Oil Company where he managed all aspects of the finance department overseeing a \$50 million operation. Prior to Virginia Oil, William was audit manager for the public accounting firm Robinson, Farmer, Cox Associates. He is a 1990 graduate of Virginia Tech, where he majored in accounting, a Certified Public Accountant and member of the Virginia Society of Certified Public Accountants.

Among Piedmont Housing Alliance's significant partners are the National Housing Trust and the Piedmont Community Land Trust.

- National Housing Trust (NHT) creates and preserves affordable homes to provide opportunity, advance racial equity, reduce economic disparities and strengthen community resilience through practice and policy. NHT created NHT Communities (NHTC) in 1999 as the real estate development arm of NHT, building off of early technical assistance to other real estate owners. Since its creation, NHT Communities has participated in the preservation and improvement of over 10,000 affordable units in 13 states and the District of Columbia. NHTC and Piedmont Housing initially partnered together on the purchase and renovation of Friendship Court in 2002, made possible with Low Income Housing Tax Credits
- Founded in 2008, Piedmont Community Land Trust (PCLT) is the first and longest-running community land trust in Virginia. The addition of the PCLT's first professional staff almost three years ago prompted growth in development, expanding inventory to 16 homes, and facilitated the partnership with

Piedmont Housing Alliance. The goal of the partnership is dramatically increase growth, capitalization, and staff and planning capacity which has already been evidenced by the portfolio expanding by another nine for a total of 27 CLT homes.

The addition of Shekinah Mitchell as the new Director of the PCLT has brought fresh perspective and a wealth of experience to this important work. Shekinah has over 15 years of experience working in affordable housing and comprehensive community development. She has worked within local, regional, statewide and national organizations including Virginia Commonwealth University, Urban Hope RVA, Local Initiatives Support Corporation (LISC), and the Virginia Early Childhood Foundation. Shekinah holds a Master's Degree in Urban and Regional Planning from Virginia Commonwealth University which is complimented by her Bachelor's in Business Management from Radford University. She served as a founding Board member for the Maggie Walker Community Land Trust and served as a 2018 Health & Equity Fellow at Richmond Memorial Health Foundation where she performed national research on culturally responsive design of community development projects as a strategy to advance equity.

9. Property Maintenance Management Plan – Provide a summary of activities intended in order to maintain the completed project including, but not limited to, on-site management, 24- hour responsible contact, long-term maintenance budgeting, staffing capacity, etc.

Alliance Management, the property management subsidiary of Piedmont Housing Alliance, will oversee operations, provide Low Income Housing Tax Credit (LIHTC) compliance services, and coordinate residence maintenance and services. Their current management portfolio includes 13 communities with almost 700 apartment homes in both urban and rural areas of our Central Virginia region. All of the communities within the current portfolio were developed through the LIHTC program and are therefore subject to LIHTC compliance requirements. Alliance Management is well versed in the program requirements and each community is currently in good standing with Virginia Housing and the IRS which monitors LIHTC compliance. As part of financing compliance and best practice operations, Alliance Management has developed strong, long-term asset management practices, including property-specific, capital improvement budgeting for use of the property's Replacement Reserve. Alliance Management also provides on-site management and residents have access to a 24-hour maintenance service number for emergencies. Typical after-hour emergencies include no heat or air conditioning above/below certain outdoor temperatures, water/plumbing leaks, sewer back-up, and a broken exterior lock or window.

Alliance Management's community management team is led by Sara Lewis-Weeks, Director of Property Management, a seasoned affordable housing property management professional experienced with LIHTC, HUD, HOME, and RD. She also holds HCCP, COP, and AHM certifications. The management team comprises over 23 property management and maintenance professionals at 13 apartment communities, and a Resident Services Coordinator. The majority of community management staff holds certifications as occupancy specialists and all, including maintenance staff, participate in annual Fair Housing Certified Trainings. In addition, Piedmont Housing Alliance has its own, in-house Compliance Department. The management team continuously maintains and builds its capacity through Virginia Housing trainings, local apartment council trainings, as well as individually skilled trainings. Moreover, a close working relationship is maintained with local educational outlets such as Piedmont Virginia Community College (PVCC), Charlottesville-Albemarle Technical Education Center (CATEC), R.E. Michaels, and InspiringHR.

Authorization:

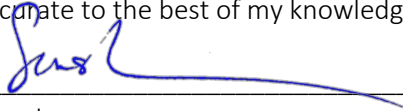
Organization Name: Piedmont Housing Alliance

Project Title: Former Site of IGA store on Cherry Avenue in Fifeville

I, Sunshine Mathon certify that I am authorized to submit

(Authorized Organization Official – print name)

this application for funding interest to the City of Charlottesville. I certify that all information contained herein is accurate to the best of my knowledge. I understand that no funding is guaranteed.



11/30/2022

Signature

Date

Executive Director

Title