

**AN ORDINANCE APPROVING FINANCIAL ASSISTANCE
TO SUPPORT RESIDENTIAL RENTAL HOUSING AT
CARLTON MOBILE HOME PARK FOR PERSONS OF
LOW AND MODERATE INCOME AND AUTHORIZING
THE CITY MANAGER TO EXECUTE AND DELIVER A
SUPPORT AGREEMENT IN CONNECTION WITH THE
SAME**

WHEREAS, Section 15.2-958 of the Code of Virginia of 1950, as amended (the “Virginia Code”), (a) declares that “the preservation of existing housing in safe and sanitary condition and the production of new housing for persons of low and moderate income are public purposes and uses for which public money may be spent,” and (b) authorizes the governing body of any locality by ordinance to “make grants or loans to owners of residential rental property occupied, or to be occupied, following rehabilitation or after construction if new, by persons of low and moderate income, for the purpose of rehabilitating or producing such property;” and

WHEREAS, there exists in the City of Charlottesville, Virginia (the “City”), a mobile home park consisting of approximately 6 acres and providing approximately 67 units, known as “Carlton Mobile Home Park” (the “Park”); and

WHEREAS, pursuant to the provisions of Section 55.1-1308.2(B) of the Virginia Code, the current owners of the Park have provided notice to the Virginia Department of Housing and Community Development and to the tenants of the Park that the current owners have received an offer to purchase the Park and that they intend to accept such offer; and

WHEREAS, Section 55.1-1308.2(B) requires that, for a 60-day period following such notice, the current owners of the Park consider additional offers to purchase the Park from any entity that provides documentation that it represents at least twenty-five percent (25%) of the tenants with a valid lease in the Park; and

WHEREAS, representatives of Legal Aid Justice Center, Greater Charlottesville Habitat for Humanity, Inc., and Piedmont Housing Alliance, have described to the City Council (the “Council”) that (a) the proposed sale of the Park may jeopardize the continued use and operation of the Park as residential rental housing for persons of low and moderate income, (b) such representatives have received support from at least 25% of the existing tenants with a valid lease in the Park to make an independent offer to purchase the Park; and (c) Piedmont Housing Alliance and the Greater Charlottesville Habitat for Humanity, Inc. (or a special purpose entity at least partially owned by one or both of the foregoing) (the entity that ultimately purchases the Park hereinafter referred to as the “PHA & GCHH”) intend to obtain a loan and use the proceeds to purchase and redevelop the Park for the purpose of providing residential rental and other housing for persons of low and moderate income; and

WHEREAS, such representatives have also requested that the City provide a statement of intention to commit financial support to PHA & GCHH, upon them becoming the bona fide owners of the Park, for purposes consistent with Virginia Code § 15.2-958.

WHEREAS, the City is willing to enter into a Support Agreement (the “Support Agreement”), by which the Council, subject to appropriation, will undertake to authorize annual payments to or for the benefit of the PHA & GCHH, should they become owners of the property; and

WHEREAS, there has been made available at this meeting a draft of the Support Agreement;

THEREFORE, BE IT ORDAINED BY COUNCIL OF THE CITY OF CHARLOTTESVILLE, VIRGINIA:

1. It is hereby found and determined that providing financial assistance consistent with Virginia Code § 15.2-958 to PHA & GCHH, upon them becoming the bona fide owners of the Park, will achieve the following objectives: (a) will support the provision of residential rental housing for persons of low and moderate income at the Park, (b) will be in the public interest of the City and its residents, and (c) will be in furtherance of powers of the City under applicable Virginia law.

2. The Council hereby expresses its intent, subject to annual appropriation, to provide financial assistance to PHA & GCHH upon them becoming the bona fide owners of the Park for purposes consistent with Virginia Code § 15.2-958. Such financial assistance is currently estimated not to exceed \$8,700,000, in the aggregate, and to be payable in installments over an estimated period of five (5) years. Only upon PHA & GCHH becoming the bona fide owners of the Park, the Council hereby appropriates for the current fiscal year ending June 30, 2025, an amount up to \$365,000 to be payable to PHA & GCHH for purposes consistent with Virginia Code § 15.2-958. The City and the PHA & GCHH intend to enter into a separate funding agreement, which is to be approved by subsequent action of Council, to address (a) the requirements of Virginia Code § 15.2-958, with respect to the minimum number of rental units in the Park (including after any redevelopment) that will be reserved for persons of low and moderate income and for what period of time, and (b) such other requirements that the City may desire to impose in connection with providing such financial assistance to PHA & GCHH, upon them becoming the bona fide owners of the Park. City funds shall not be appropriated unless and until PHA & GHCC have obtained sufficient financing and successfully executed purchase of the Park.

3. Pursuant to Virginia Code § 15.2-958, the appropriation of City funds is conditional and shall not occur unless and until PHA & GCHH has obtained sufficient financing, successfully executed the purchase, and become the bona fide Owners of the Park.

4. The City Manager is hereby authorized and directed to execute and deliver the Support Agreement. The Support Agreement shall be in substantially the form made available at this meeting, which is hereby approved, with such completions, omissions, insertions, or changes not inconsistent with this Ordinance as may be approved by the City Manager, whose approval shall be evidenced conclusively by the execution and delivery thereof.

5. The Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Councils do likewise during the term of the Support Agreement.

6. All other actions of City officers in conformity with the purposes and intent of this Ordinance and consistent with Virginia Code § 15.2-958 are hereby ratified, approved, and confirmed. City officers are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the completion of the plan of financing.

7. This Ordinance shall take effect immediately.

Adopted: _____, 2024