

**ORDINANCE AUTHORIZING A FORGIVABLE LOAN TO PIEDMONT
HOUSING ALLIANCE AND GREATER CHARLOTTESVILLE HABITAT
FOR HUMANITY, INC. AND HABITAT CARLTON ALLIANCE, LLC, TO
SUPPORT REDEVELOPMENT OF CARLTON MOBILE HOME PARK
FOR THE PURPOSE OF PRODUCING NEW HOUSING FOR
LOW AND MODERATE INCOME PERSONS**

WHEREAS, 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 that such preservation and production are governmental functions of concern to the Commonwealth of Virginia (the “Commonwealth”) and the City of Charlottesville (the “City”);

WHEREAS, pursuant to Virginia Code §15.2-958 the City may, by ordinance, make grants or loans to the owners of residential rental property occupied, or to be occupied, following rehabilitation or after construction, by persons of low or moderate income, for the purpose of rehabilitating or producing such property;

WHEREAS, an owner assisted in this manner must provide a minimum of 20 percent of the units for low and moderate income persons as defined by the City for a minimum of 10 years and participation by an owner is voluntary;

WHEREAS, Piedmont Housing Alliance (“PHA”) is a private, nonprofit 501(c)(3) organization organized and operating under the laws of the Commonwealth, having as its mission the creation of affordable housing opportunities by developing new housing and by preserving existing affordable housing;

WHEREAS, Greater Charlottesville Habitat for Humanity, Inc. (“GCHH”) is a private, nonprofit 501(c)(3) organization organized and operating under the laws of the Commonwealth, having as its mission the creation of affordable housing opportunities by developing new housing and by preserving existing affordable housing;

WHEREAS, Habitat Carlton Alliance, LLC (“HCA”) is a private corporation wholly owned by GCHH and PHA in a 50-50 joint venture structure organized and operating under the laws of the Commonwealth, having as its mission the acquisition, operation, and eventual redevelopment of the Carlton Mobile Home Park (the “Project”);

WHEREAS, PHA, GCHH and HCA are planning the redevelopment of the Project into a new development, funded by various methods;

WHEREAS, PHA and GCHH and HCA have requested the City to provide a loan for financing a portion of the costs of the Project, in an amount sufficient to subsidize the projected cost of acquisition of property for the Project;

WHEREAS, the City desires to loan up to \$8,700,000 at an interest rate of 3.00% per annum for a term of approximately 40 years (the “Loan”) to PHA pursuant to the terms and conditions of a loan agreement (the “Agreement”) and a Declaration of Affordable Housing Covenants, to be approved by the City;

WHEREAS, the Loan will be secured by a subordinate interest in the land for the Project granted by HCA to the City as further described in the Agreement; and

NOW, THEREFORE, BE IT ORDAINED by the Charlottesville City Council that local public funding is hereby approved for PHA to support the Project, by providing funding through the Loan in a principal amount of up to \$8,700,000 with an interest rate of 3.00% per annum for a term of approximately 40 years, all subject to the lien and security, and other terms and conditions of the Agreement in substantially the form presented to Council at this meeting.

AND BE IT FURTHER ORDAINED BY THIS CITY COUNCIL THAT the requirement for a second reading of this Ordinance is hereby waived pursuant to a four-fifths vote of the City Council in accordance with City Code 2-97, and the City Manager is hereby authorized to execute the Agreement containing the terms and conditions consistent with those set forth within this Ordinance, and other documents and instruments necessary to complete this Loan transaction, subject to approval by the City Attorney’s Office as to the form of all such documents and instruments.