

CITY OF CHARLOTTESVILLE

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Housing Advisory Committee



Wednesday, September 17, 2025, noon

Location: 100 Fifth Street NE, Charlottesville, VA 22902

CitySpace - Large Conference Room

HAC Members Present:

- Joy Johnson, Chair, Affordable Housing Beneficiary (JJ)
- Rich Bard, Affordable Housing Beneficiary (RB)
- Phil d'Oronzio, Real Estate Professional (PdO)
- Heather Griffith, Real Estate Professional (HG)
- Peppy Linden, At-Large (PL)
- Mike Parisi, Secretary, At-Large (MCP)
- Michael Payne, City Councilor (MP)
- Dan Rosenweig, Non-profit - Habitat for Humanity (DR)
- Nicole Scro, Real Estate Professional (NS)

HAC Members Absent:

- Sunshine Mathon, Vice Chair, Non-profit - Piedmont Housing Alliance (SM)

- John Sales, Non-profit - Charlottesville Redevelopment & Housing Authority (JS)

Staff Attendees:

- Madelyn Metzler, Acting Housing Program Manager, Neighborhood Development Services (MM)
- Alan Peura, Grants Analyst, Office of the City Manager (AP)
- Kellie Brown, Director, Neighborhood Development Services (KB)

Online Attendees:

- Steven Johnson, Liveable Cville Co-Chair (BC)
- Sophia Gurni, 29 News
- Mike Callahan, 3TP Ventures
- Jeremy Goldstein, 3TP Ventures

1. Welcome

JJ: Calls meeting to order 12:10pm.

2. Introductions and Attendance

3. Staff Updates

i. Housing Updates

Kellie Brown (KB): Antoine Williams, former Housing Program Manager, resigned this summer after extended FMLA leave. Recruiting now to fill position. Madelyn Metzler filling in as acting manager.

Madelyn Metzler (MM): Annual CAHF (Charlottesville Affordable Housing Fund) and HOPS (Housing Operations and Program Support) grants applications open soon: this Friday for CAHF, HOPS next month.

Also just issued our annual request for information for affordable housing programs. Gives the City an idea of who will be making requests for assistance.

Also conducting reviews of development and site plans, including the first applications to include required ADUs (Affordable Dwelling Units).

CRHA South 1st and 6th St projects ongoing, first drawdowns being paid.

CSRAP (Charlottesville Supplemental Rental Assistance Program) presentation to Council this summer. Doing program evaluation over the next year, will engage stakeholders including HAC. Completing the VA Dept of Housing and Community Development survey re: City policies and actions on affordable housing; this is the second year of the survey.

PdO: CSRAP was designed in the HAC, led by Dan Rosensweig.

DR: Goal was ~100 vouchers at a time.

MM: Not at 100 now, hasn't ever gotten up to 100. Around 60. Program funding has been static since 2018 as housing costs have increased.

PdO: Effects of pending government shutdown?

MM: Thinking in terms of effects on partners. The Office of Budgets and Grants has been looking at that.

ii. Development Code Updates

KB: Judgement was issued that City was in default for failure to file paperwork by deadline. City requested reconsideration, judge's newest ruling leaves Development Code in effect and allows lawsuit to move forward. Waiting for a new trial date, expecting summer 2026.

DR: Plans for modifications of code in the meantime?

KB: Still moving forward with our change process. Listening session October 14 for community, developers to give feedback to Planning Commission.

DR: Requests separate session with nonprofit developers.

4. Agenda

i. July 16, 2025 Regular HAC Meeting Minutes

Approved

ii. Update on Charlottesville Affordable Housing Tax Abatement Program - Presentation on data and model

Alan Peura (AP): In April, Council asked staff to research concept of a tax abatement program and whether it would work in our local market to improve feasibility of Inclusionary Zoning requirements in new Development Code. Hired 3TP consultants to conduct study.

Jeremy Goldstein, 3TP Ventures (JG): Had similar meeting with CADRE earlier today. Looking for feedback from local stakeholders.

Significant Events:

- Affordable Housing Needs Assessment: 4,000 units needed by 2040
- Affordable Housing Plan, Comprehensive Plan, Dec 2023 Zoning Ordinance with IZ requirements
- City Council housing funding commitment \$10mil/yr

Our goal is to evaluate feasibility impacts of a tax abatement using our model aka "Charlottesville Development Feasibility Assessment Tool". Tool features:

- "Yield on cost" and "IRR (Internal Rate of Return)" for a typical project
- With and without public incentives
- Ability to analyze across building types and submarkets
- Similar language for discussion

Tool Overview

- Tool to inform policy decisions
- Transparent, flexible, adaptable - inputs can change as needed, with feedback
- Collaborative effort with reliable inputs
- Not for specific project feasibility
- Not for finding exact abatement figures
- Not for determining policy

Assumptions

- Construction costs
- Land costs by submarkets
- Soft costs
- Rents (market, affordable)
- Development timelines

Sources: RSMeans, City of Charlottesville

Figures are a starting point, place to begin gathering feedback

Questions

- Typical project feasibility
- IZ effect on feasibility
- Abatement effects on feasibility

Markets (Building categories)

- High rise 8+
- Midrise up to 7
- RSMeans: online program that does market-specific construction cost estimates
 - 7 stories is tallest you can build with concrete base and wood above
 - 8+ stories is steel construction
- Low rise
- Garden apt
- Townhouse
- Single Family

Initial Scenario Findings

- With IZ, very few “yellow” projects, no “green” (measuring feasibility of projects)
- Using Yield on Cost: 5.5% = “yellow” threshold, 7% “green” threshold
- Using IRR: 15% = “yellow”, 20% = “green”
- W/o any IZ requirements, no green projects but more yellow ones
- Changes are subtle, ~1-2% with and without IZ requirements
- Regulatory rules, especially pre-development timeline, have larger effects than IZ

DR: Would be nice to layer in the effect of Opportunity Zone tax incentives on the tool’s outcomes. Have a few OZs in Charlottesville.

PdO: Not a lot of opportunities for large new construction, how can we use abatements to make smaller projects feasible, take advantage of the ability to sub-lot under new Development Code and build multiple units in Residential districts?

MP: Would be important to at one point isolate student housing as a specific category in the tool.

JG: Tool Walkthrough:

- Can quickly, easily adjust variables like development type, submarket, unit number, parking, affordability, different rates of abatement.
- Can choose between two abatement models, traditional and “Baltimore” models
- Feedback from developers that construction cost estimates are too low
- Predevelopment costs matter differently depending on size of shop. Do they have to provide equity up front or not? Easier for larger developers.
- Not enough land sales here for a good sample size; used City Assessor data for raw land w/o improvements to fill in as land prices

DR: New ordinance allowing sublots is another variable. There’s no “raw land”. Don’t yet know the value of land for infill developments.

MP: Would be good to tease out how predevelopment timelines are affected by administrative review vs BAR vs special exception permits.

NS: Supports tying abatement to rent difference btw 80% AMI and voucher holders. Rules in R-A -B -C differ from mixed use districts.

DR: Recommend adjusting the assumptions for feasibility. Developers in Charlottesville are willing to take lower IRR because of the stability of our market, 20% IRR may be too high a threshold.

Should model Opportunity Zones differently, the tax-free capital gains after 10 years available in OZs blow IRR through the roof. Investors looking for IRR at market value plus OZ “juice”. Opportunity Zones just made permanent through the Tax Bill.

NS: Hesitance by City to use abatements because they don’t see unbuilt projects as lost revenue. They see the abatement itself as lost revenue.

MP: Important to consider whether the juice is worth the squeeze. Might want to look at other options like providing cheap capital (loans).

PdO: Might want to point the tool towards smaller developments like quad/tri/duplexes.

JJ: For next meeting in October, looking at HAC workplan.

MM: Can have Chris Engel from Economic Development present about a loan product they are developing.

JJ: Notes student housing building proposal on West Main St above Westhaven public housing community. Residents may come to HAC to express their thoughts during public comment. Residents have been meeting for the last three years to design their community redevelopment, and then the developer came to BAR in April with a plan they felt didn’t take that work into account.

5. Public Comment

Steven Johnson, Livable Cville: Baltimore method’s elegance is that over the span of 25-35 years, the gap between market rate and affordable rents closes. Diminishes concern about an “in perpetuity” giveaway; abatement should also decrease over time.

6. Next Meeting October 15, 2025

7. Adjourn

Adjourned 1:58pm.