

September 20, 2023

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Ms. Kaki Dimock
Chief Human Services Officer
Albemarle County Department of Social Services
1600 5th Street Ext., Suite A
Charlottesville Virginia 22902

Dear Ms. Dimock,

Thank you for the opportunity to submit a request for additional funding from Albemarle County for Premier Circle to help close the remaining funding gap. Premier Circle is the redevelopment of the Red Carpet Inn on Route 29 and includes eighty studio apartments with supportive services to create a mixed-income community with a blend of units for people experiencing homelessness and residents earning 60% or less of the Area Median Income (AMI).

The mission of Virginia Supportive Housing (VSH) is to end homelessness by providing permanent housing and supportive services to the most vulnerable individuals in our region. With the support of our donors and partners, our organization creates affordable housing opportunities by constructing new (or rehabilitating old) properties into apartments that VSH owns and operates. VSH targets individuals with the longest histories of street homelessness and the highest levels of need, particularly those experiencing chronic homelessness. We follow the "Housing First" model, a low-barrier approach that calls for housing individuals first, assessing each person's needs, then providing customized supportive services to ensure each participant has the support necessary to set up and maintain their home, manage and improve their health, and develop the skills to live independently.

To date, VSH has raised \$22.6 million for Premier Circle with a remaining funding gap of \$1.4 million. Project costs are estimated to be \$24 million. Funding sources to include:

- Equity from LIHTCs and Solar Credits (\$11,848,857)
- Virginia Housing REACH Loan (\$1,770,929)
- Virginia DHCD HOME Funds (\$900,000)
- National Housing Trust Fund (\$900,000)
- Virginia Housing Trust Fund (\$900,000)
- DHCD Housing Innovations in Energy Efficiency (HIEE) Funds (\$2,000,000)
- Virginia DHCD Permanent Supportive Housing (PSH) Funds (\$100,000)
- Albemarle County ARPA Funds (\$2,400,000)
- Thomas Jefferson Planning District Commission (\$500,000)
- Congressionally Directed Funds (\$500,000)
- Private foundations including Perry and Cabell (\$563,492)
- Charlottesville CAHF (\$186,722)

Total: \$22,570,000

Premier Circle is part of a larger, multi-phased redevelopment project comprised of up to 140 affordable residential units within two multi-family buildings, with a two-story commercial building fronting on Route 29. The creative redevelopment of the existing Red Carpet Inn site is a partnership between Virginia Supportive Housing, the Blue Ridge Area Coalition for the Homeless (BRACH), and Piedmont Housing Alliance (PHA). Construction is estimated to begin in spring 2024 with completion in 2025.

Albemarle County is already a significant contributor to this project with \$2,400,000 in ARPA funds for construction and twenty-five rental assistance vouchers to serve people experiencing homelessness. **We greatly appreciate your consideration of providing VSH with additional funding for Premier Circle** so that we can eliminate the gap and prepare for an on-time construction start in spring 2024. I will be meeting with Samuel Sanders, Jr., City Manager of the City of Charlottesville, to discuss the City's assistance in funding the remaining gap for Premier Circle.

The VSH evidenced-based supportive housing model works: year over year, more than **95% of individuals we serve do not return to homelessness**. Together we can make great strides to ending chronic homelessness in the region, making sure all our neighbors have a safe place to call home.

Please do not hesitate to contact me directly at (804) 332-500.

With gratitude,



Allison Bogdanovic
Executive Director