



December 15, 2017

Doug Walker
Deputy County Executive for Community Services
401 McIntire Road
Charlottesville, VA 22902

Re: Support for Southwood Redevelopment

Dear Mr. Walker,

Thank you for inviting a request for funding to assist in planning for resident-driven redevelopment of the Southwood Mobile Home Park. As you know, we have been partnering with the County in a multi-year neighborhood improvement and resident empowerment process that has dramatically improved the near-term quality of life for community residents and created community capacity that has allowed Southwood residents themselves to become the architects and engineers of their own community's future. During our ten years of ownership of the park, we have invested approximately \$2.5 million in deferred maintenance and more than \$19 million in operations, community support and betterment activities and programing.

Over the course of the past year, Habitat has engaged an architecture firm to work side-by-side with 100 Southwood residents in a master planning process. Together the team has made significant progress, including identifying the location and engineering/financial feasibility of Phase I; working with County officials to draft a joint work plan; identifying the location and lay out of roads and other public infrastructure; drafting a rezoning concept plan; working with the National Fish and Wildlife Foundation for stream restoration tied to long-term stormwater mitigation and a future trail system; engaging with market-rate builders; coordinating with Parks and Recreation about future active and passive use amenities; and working with County and VDOT officials to discuss creative standards and design ideas, among others.

Most of this work has been funded by private donations, including a \$150,000 matching grant from a local foundation and a redevelopment reserve account Habitat accumulated over several years in anticipation of this stage. Two years ago, as we were planning the process with representatives from Virginia Department of Housing and Community Development (DHCD) and the Virginia Housing and Development Authority (VHDA), we were encouraged to apply for VHDA and DHCD funding (in the cumulative amounts of roughly \$1 million) that would carry us through rezoning, at which time we would have documents, illustrations and construction drawings, etc. that would allow us to seek additional public and private funds for the next steps of the development process—engineering and initial site work including grading, infrastructure and roads.

With the County's support, Habitat is currently utilizing a Community Development Block Grant (CDBG) planning grant from DHCD for \$10,000 to support planning efforts and solicitation of input for the concept design for redevelopment by residents of Southwood. An additional CDBG planning grant has been submitted to DHCD and we are optimistic about securing at least \$30,000 in funds towards planning efforts.

Additionally, we are in the process of preparing a Community Impact Grant application to VHDA for \$250,000. We are optimistic about achieving this grant funding given that, during a visit to Southwood in September, VHDA staff and executives expressed their support and excitement for this innovative redevelopment process.

However, timing of the larger grant applications and a lengthy list of deliverables for the CDBG grant has impeded our ability to apply for larger DHCD grants that would cover the projected gap of

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\$675,000 between where we are in the process currently and rezoning. Therefore, Habitat respectfully requests that the County support two funding draws to achieve calendar year 2018 deliverables. The first draw of \$400,000 is proposed to time with the current fiscal year and will link directly to our team's ability to deliver a Phase 1 rezoning application by February of 2018. The second draw of \$275,000 coincides with the beginning of fiscal year 19 and will propel the project to a successful rezoning of Phase 1 and the beginning of the conceptual design for the First Village.

With County support, we will have the financial resources necessary, as documented in Exhibit A, to carry us through rezoning and enable the commencement of a private and public capital campaign. We anticipate that these campaigns will generate approximately \$75 million in revenues toward the long-term fulfillment of Southwood's holistic transformation. Of this, we anticipate approximately \$17 million in local and/or leveraged state and federal public support, \$30 million in private fundraising, and \$28 million in outparcel sales. These calendar year 2018 allocations of County funding will enable Habitat to continue to move forward with Southwood's anticipated 15-year redevelopment timeline, illustrated in Exhibit B, by achieving the important deliverables for calendar year 2018, as outlined in Exhibit C.

The return on investment for the County will be substantial, both financially and socially. A 2014 study by the University of Virginia Weldon Cooper Center For Public Service estimated that a redeveloped Southwood will generate 17 times the gross tax revenue for Albemarle County than it does currently. At build out, Southwood will include private investments—direct contribution of dollars into the local economy—of more than \$200 million. Once a multiplier is applied, the total economic impact will be significantly higher, likely approaching \$1.5 billion.

In addition to the financial benefits for the County, Southwood has the potential to create upwards of 500 high quality affordable homes. This will allow local low-income residents to eventually earn an estimated \$100 million in home equity; cause a significant reduction in County service expenditures; create economic opportunities for thousands of our most vulnerable neighbors; and save an estimated \$21 million in housing displacement costs.

The County's investment of \$675,000 will keep momentum going for the project, by bridging the gap between where we are in the current planning effort and where we need to be to leverage significant outside funding. Without this funding, we are concerned that forward progress toward redevelopment will stall, demoralizing the residents who have so enthusiastically given their time, jeopardizing our ability to meet Habitat and County timelines for rezoning, and undermining the ability to collectively leverage outside sources of funding.

With the County's continued partnership and support, we are confident that Southwood's redevelopment can progress as planned. Habitat's vision is for Southwood to be transformed into an even more culturally vibrant, economically productive, inclusive and sustainable community—to the benefit of all residents of Albemarle County—as well as a national model of innovative, resident-driven redevelopment.

Thank you so much for considering this request. Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Rosensweig". The signature is fluid and cursive, with the first name "Dan" being more prominent than the last name "Rosensweig".

Dan Rosensweig
President/CEO

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EXHIBIT A
Sources and Uses of Funds

		FY18 Draw 1	Deliverables	Q1 + Q2 FY19 Draw 2	Deliverables
	SOURCES OF FUNDS:				
1	Income from trailer park operations	63,900		54,785	
2	Public Fundraising (VHDA, DHCD)	105,000		175,000	
3	Private Fundraising	36,700		21,835	
4	County Grant Request*	400,000		275,000	
5	TOTAL SOURCES OF FUNDS	605,600		526,620	
7	USES OF FUNDS:				
8	Ongoing Community Engagement initiatives	179,130		206,430	
9	Office overhead	5,670		5,670	
10	Professional development and training for staff	5,200	7, 12	8,320	7, 12
11	Small business development consultant	30,000	13	0	
12	Community Surveys + interviews	21,000	7, 13, 16, 17	12,000	10, 11, 13, 16, 17, 20
13	Meeting facilitation for design consultants	4,110	1, 3, 4, 9	3,140	9, 11, 14, 15
14	Interpretation for design meetings	6,950	3, 4, 9	5,940	9, 11, 14, 15
15	Materials for workshops + redevelopment programming	21,490	3, 4, 6	18,220	6, 11, 14, 15
16	Leadership program development	25,600	6, 9, 13, 17	21,400	6, 9, 10, 13, 17
17	Tracking software	3,850	20	3,300	20
18	Community Engagement	303,000		284,420	
19	civil engineering	42,000	2, 3, 5, 8	36,000	14, 15, 18
20	environmental engineering	21,000	5, 8	24,000	14, 15, 18
21	architecture	105,000	1, 3, 4, 5, 8	90,000	11, 14, 18
22	landscape architecture	49,000	3, 5, 8	36,000	14, 15, 18
23	Engineering and Design	217,000		186,000	
24	permit fees	20,000	8	0	
25	ER, Phase I, traffic study	50,000	8	25,000	18
26	Parcel Development	70,000		25,000	
27	Trailer Acquisition	15,600	16	31,200	16
28	Release of land from seller financing	0		0	
29	Amenity Development	0		0	
30	Other soft costs	0		0	
31	TOTAL PLANNED USES OF FUNDS	605,600		526,620	
32					
33	NET ANNUAL PROJECT CASH FLOW	0		0	

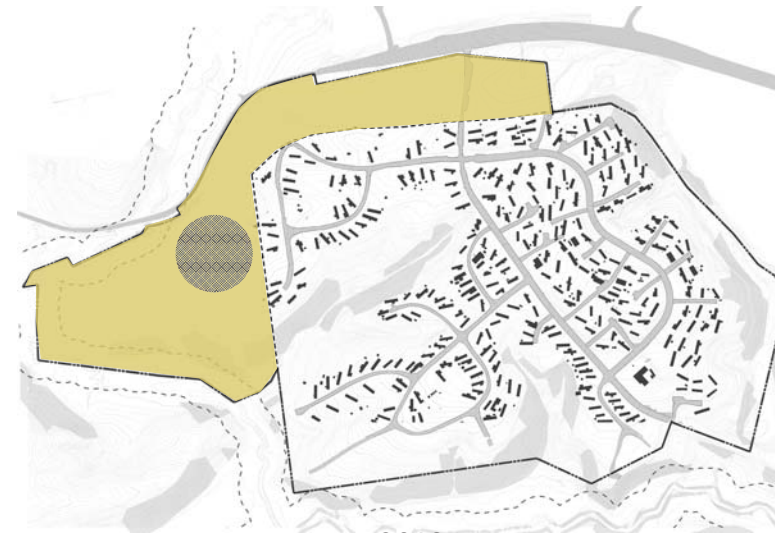
*County Grant request items are highlighted in green and only include specific, direct redevelopment-related expenses that are necessary for producing the list of deliverables

Exhibit B

Comprehensive Redevelopment Timeline

CONCEPTUAL REDEVELOPMENT TIMELINE

This projected timeline makes many assumptions about the process of land development as well as the iterative process of resident-driven design and community development. In the redevelopment of Southwood, the process is equally important to the product it creates, therefore there are many opportunities for this timeline to flex to accommodate resident buy-in and community input. At this time, we project complete build-out of Southwood to occur around 2033 and result in 600-800 new housing units, a mixture of deeply subsidized, affordable, workforce, and market rate products.



2018

Phase I is rezoned and a concept plan for the First Model Village is underway



2019

First Model Village site plan is approved and a concept plan is underway for the next village in Phase I



2020

Phase II is rezoned and the First Model Village is under construction. Site planning and conceptual design for the remaining villages in Phase I continues



2021

Conceptual Design begins in Phase II while construction and site planning is ongoing in Phase I. The first residents move into the First Model Village



2023

Phase I is completely built out and construction has begun for the villages in Phase II. Resident rehousing is complete for the first villages in Phase II.



2030

Final home construction in Phase II is drawing to a close



2033

Southwood is completely built out, resulting in 700-800 new housing units, new public park land, trails, and community and neighborhood-centric commercial space

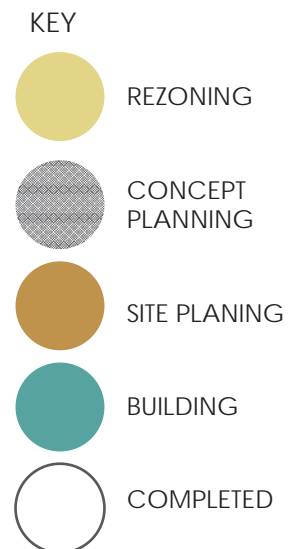


Exhibit B
Comprehensive Redevelopment Timeline



2018

2023

2034

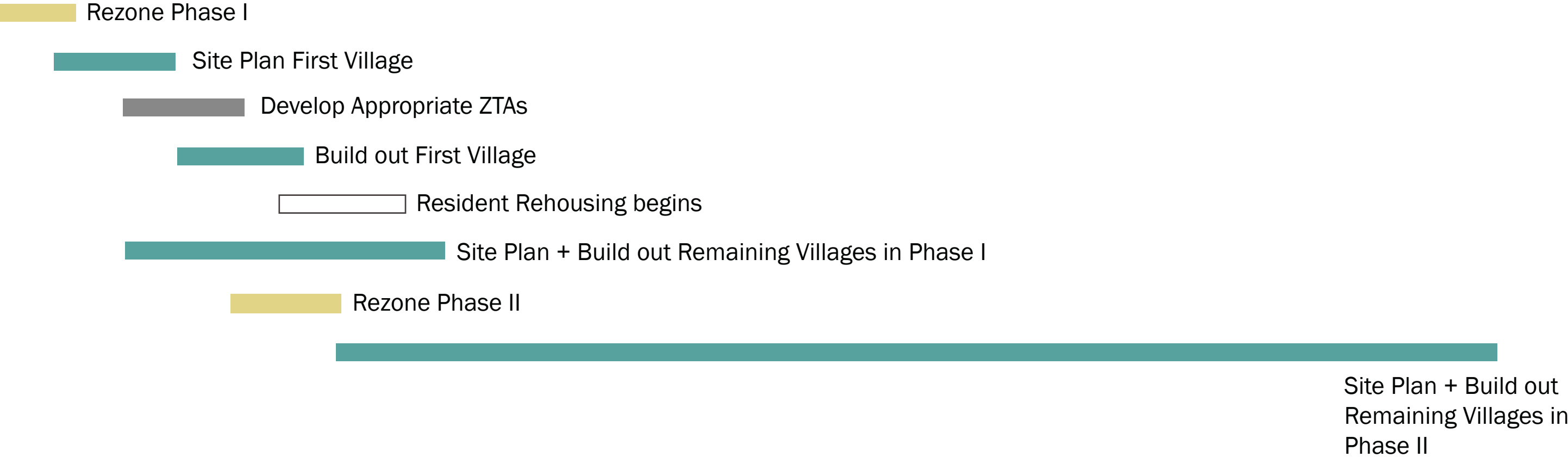


Exhibit C

2018 Deliverables

1. **Action Plan** submitted to Albemarle County Board of Supervisors. The plan establishes a County-Habitat partnership structure, creating teams around the themes of Planning, Policy, Funding and Services. Cross-sectorial coordination is critical to holistic, sustainable redevelopment of Southwood, and each team will be staffed by the appropriate County and Habitat representatives in order to make innovative decisions in these fields.
2. **Traffic Study** completed by Habitat civil engineering consultant as part of the Phase I rezoning application.
3. **Conceptual Road Layout** for Phase I of redevelopment created by Habitat civil engineering consultant through work with Habitat landscape architecture consultant to create a logical, safe and interconnected roads system that respects the existing topography of the site and maintains a balance between development and preservation of existing natural features valued by Southwood residents
4. **Code of Development** written by Habitat architectural consultants in partnership with Albemarle County planning staff and reflecting the vision and goals of Southwood residents
5. **Phase I Application Plan** developed by Southwood residents and Habitat architectural, landscape architectural, civil engineering and environmental engineering consultants identifying uses, densities and other appropriate information for the development of Phase I of redevelopment
6. **Resident Planning + Leadership Development** through trainings and workshops led by Habitat Community Engagement staff and consultants to continue preparing residents to thoughtfully and intelligently interact with the rezoning and planning process
7. **Neighboring Community Outreach + Engagement** by Habitat Staff to incorporate the vision and aspirations of neighboring communities into the planning process and build a strong cohort of community support for Southwood rezoning and redevelopment
8. **Phase I Rezoning Application** submitted to Albemarle County by February with projected approval of Rezoning request by Albemarle County Board of Supervisors by December 2018.

9. **Planning 101** offered in partnership between Albemarle County Staff and Habitat Staff to inform residents on the County planning and approvals process to better equip community members to interact effectively with their local government
10. **Neighborhood Plan** Facilitated by Habitat Community Engagement staff through intensive work with Southwood residents as an expression of the community's future vision for a redeveloped neighborhood around themes like Amenities, Economic Opportunities, Education, Health, Housing, Safety, and Transportation.
11. **Expanded Housing Product Line** developed by Habitat staff and architectural consultants to ensure ample and innovative affordable housing solutions as well as solutions in the workforce and market rate housing spectrum
12. **Financial Coaching** by trained Habitat Community Engagement Staff working one-on-one with Southwood families to assess their housing goals and develop individual plans for homebuyer or rental readiness
13. **Entrepreneur and Microenterprise Identification** by Habitat staff and consultants through working with the aspirations and goals of Southwood small business owners to prepare them for success in the redeveloped Southwood, identifying potential economic development opportunities that may manifest in Phase I
14. **Conceptual Design of Multi-Modal Trail System** developed by Habitat environmental and civil engineering consultants in coordination with landscape architecture consultants that fit the Southwood resident vision for safe recreation and transportation routes that will also serve to connect the larger Albemarle County community to regional recreation opportunities like Biscuit Run State Park.
15. **Conceptual Design of Active and Passive Use Recreational Facilities** developed by Habitat environmental and civil engineering consultants in coordination with landscape architecture consultants that fit the Southwood resident vision for family-centered recreational amenities
16. **Resident Rehousing Strategy** development by Habitat staff, inclusive of likely proactive trailer acquisition, to ensure a redevelopment process that provides rehousing opportunities on site to ensure the retention of the existing Southwood community and culture

- 17. Early Adopters Cohort** self-identify and work directly with Habitat Community Engagement staff to prepare for moving into the first Model Village
- 18. Conceptual Design of First Model Village** developed by Habitat architectural, landscape architectural, civil engineering and environmental engineering consultants through direct partnership with Southwood Early Adopters
- 19. Resource Development Plan** finalized by Habitat staff, identifying individual, corporate and foundation fundraising opportunities as part of Habitat's Capital Campaign and utilizing visual materials produced by consultants as part of the land development process
- 20. Baseline Metrics** collected by Habitat staff and consultants to be able to demonstrate measurable improvement in resident quality of life through the process of Southwood redevelopment