

Dear Ms. Nedostup,

As you requested, this memorandum addresses questions posed by members of the Planning Commission at their July 13, 2021 work session on Southwood.

For the sake of concision, we've separated the questions into four categories: **(1) Rehousing; (2) Transit; (3) Schools; and (4) Economic Development.**

**(1) Rehousing:**

Questions emerged about the following issues:

1. Ratio of rentals vs. owner-occupied homes in Phase I.
2. Ratio of Habitat homes (both for-sale units and rental units) vs. Piedmont Housing Alliance (PHA) Low-Income Housing Tax Credit (LIHTC) rentals.
3. AMI breakdown of Southwood (SW) applicants vs. overall SW residents.
4. An estimate of the number of SW families who will qualify, based on income, and a percentage of SW families who will apply for, LIHTC units
5. The number of original units intended for Southwood families, and how many will be for Southwood families.

Here is the data:

1. Approximately 61-64% of the Phase 1 units will be provided for homeownership. Of the 335 residential units planned for Phase 1, there will be approximately 121-129 rentals and approximately 206-214 homeownership opportunities. Please note that the numbers are variable because Habitat will create some rentals for SW residents who don't have other options. Also, it's possible that a handful of the market rate for-sale units may be rentals.
2. There will be approximately 80-86 Habitat homeowners (38-40% of the affordable homes in Phase 1) and 121 LIHTC rentals (60-62% of the affordable homes in Phase 1). Habitat will build 86 units with some number of them (estimated here at six) as rentals.
3. Please see below for the AMI breakdown of the first group of SW applicants compared to all current Southwood residents:

Current Residents (AMI)		SW first applicants (AMI)	
0-30%	36%	0-25%	5%
30-50%	44%	25-60%	67%
50-60%	10%	60-80%	24%
60-80%	8%	Above 80%	5%
Above 80%	2%		

4. Depending on the level of affordability that PHA's financing structure will provide, the majority of SW residents could end up qualifying for the LIHTC rentals based on income. However, for multiple reasons, we expect a very small minority will occupy LIHTC rentals. The majority of the units are 1 or 2 bedrooms which eliminates a large percentage of Southwood families that trend

larger. The smaller families at SW are primarily seniors, of whom 31 are, we believe, LIHTC eligible. Additionally, our experience at Sunrise suggests those who ultimately desire to rent rather than own, in an apartment setting, are seniors.

Other factors that would suggest that the number will be low include: LIHTC apartments are non-smoking buildings which wouldn't be appealing to at least a plurality of SW seniors; Many seniors expressed an interest in waiting to apply for rehousing until later phases; The vast majority of SW residents indicated their preference for homeownership over rentals.

In summary, LIHTC units are an excellent resource for addressing the regional demand for affordable housing, but are not likely to provide a significant percentage of the replacement housing at Southwood (perhaps between five and 20). Therefore, Habitat is committed to providing up to 100% of the rehousing options (homeownership and rentals) ourselves as necessary.

5. Habitat committed to rehousing at Southwood for any Southwood resident living in Southwood as of December 2018 (317 households). All Habitat homes in Southwood are available for qualified Southwood applicants. Between 80 and 100 homes (homeownership and a handful of rentals – LIHTC and Habitat) will likely be occupied by Southwood families in phase I. Habitat is building 86 units with the first priority given to current Southwood residents. If there isn't a good match for a few units (based on size of units, families interested at a given time, etc.) a few units might become available to homebuyers in Habitat's regional program.

Phase I is roughly 1/5<sup>th</sup> of the buildable land mass of the entire site. Proportionally, that means that this phase must be able to rehouse at least 20% of the current 317 families at Southwood or 64 families. In fact, phase I will accommodate between 25% and 32% of the current residents or 80-100 families.

## **(2) Transit:**

The Planning Commission requested information about future bus service to the redeveloped community.

On July 27<sup>th</sup>, Habitat representative Lori Schweller spoke with Director of Transit Garland Williams about CAT service to Southwood. Currently, CAT stops in Southwood on Hickory Street. CAT has no plans to extend the route further into the community at this time because a formal request has not come from the County. However, Mr. Garland said that the long-term plan would be up to the County to ask CAT to extend the service and to provide the funds to pay for the extension. He's open to extended service, but the City and/or County budgets would need to add money to pay for it. All roads in Southwood are being built to VDOT standards and we would welcome additional stops throughout the community and could easily integrate benches and / or shelters during the site plan process as necessary.

## **(3) Schools:**

The Planning Commission asked about the County's plans for schools in the southern sections of the growth area.

On July 30<sup>th</sup>, Habitat met with Maya Kumazawa, Director of Budget & Planning for Albemarle County Public Schools. Ms. Kumazawa shared that her department is planning an expansion of Mountain View Elementary School.

A consulting firm is currently working on a longer-term student yield analysis which will result in a recommendation to either build an additional expansion, build a new school, and/or redistrict. Ms. Kumazawa told us that the best way we can help is by sharing project updates with ACPS throughout the rezoning process.

**(4) Economic Development:**

The Planning Commission recommended that we meet with the County Economic Development staff to discuss startup businesses at Southwood.

On August 3<sup>rd</sup>, Habitat met with Director Roger Johnson, Development Coordinator J. T. Newberry, and Project Manager Jennifer Schmack. EC staff recommended we reach out to some local nonprofits about business incubation given that a backbone 501(c)(3) organization could serve as a catalyst and receive public grants to support the effort. This week we are hosting a summit on the issue with local nonprofits, PVCC, local Latino business specialists, PHA, the County and others to move forward a feasibility analysis for a backbone organization locating a business incubator in Phase II.

As always, please feel free to follow up with any additional questions.

Sincerely,

Dan Rosensweig  
Habitat President/CEO