

# Supervisors approve tax relief for workforce housing at Colonial Circle

MAR. 10, 2022 GOVERNMENT, LATEST NEWS0 COMMENTS

**By Heather Michon**  
**Correspondent**

Affordable housing was back on the agenda for the Board of Supervisors during its regular meeting on Wednesday night (March 2), as the Charlottesville-based Pinnacle Construction & Development made their pitch for real estate tax relief to aid in a project that would bring 124 affordable housing units to Colonial Circle.

The Coves at Monticello would consist of five buildings and provide 92 two-bedroom and 32 three-bedroom units for families whose combined income is below 60 percent of the average medium income (AMI). Rents would range from \$925 to \$1500 per month.

William Park, president of Pinnacle, said the apartments would be geared towards working-age adults and families, including teachers, deputies, and county workers whose income often falls far below the area's AMI of \$93,900.

Pinnacle has built similar projects in Virginia. They provide on-site staff and do annual income assessments to make sure all the statutory requirements for affordable housing units are met.

To help defray the costs of constructing the development, currently estimated at over \$21 million, the developer requested a real estate tax incentive under a 30-year Development and Performance Agreement with the county.

Under the agreement, Pinnacle would pay the current real estate tax on the unimproved lot – about \$635 a year – for the first ten years. The rate would then go up by 20 percent a year, reaching 100 percent by year 15. The county projects this would yield around \$1.7 million in real estate revenue over 30 years.

The developer has been working on this proposal with the county's Economic Development Authority for months, with the EDA approving the plan at its Feb. 14 meeting.

Park said that when they began planning in 2020, Fluvanna County was designated by the Department of Housing and Urban Development as a Difficult to Develop Area (DDA). This meant that the cost of land, construction, and utilities was high relative to the area median gross income.

DDAs are assessed annually, and by 2021, Fluvanna had fallen out of the category. Park said that this would make it difficult for developers in the future to take on affordable housing projects, because there would be fewer government incentives to help with the costs.

They project that between new construction jobs during the multi-year building period, the income from fees and permits, and the increased local economic activity generated by residents, the county could see about \$18.6 million in financial activity.

During discussions following the presentation, Supervisor Chris Fairchild (Cunningham) said the project would put a burden on county schools, public safety, and other county services, and would be a net loss to current county taxpayers of about \$1.3 million.

“We’re not only saying that we’re building this development that a lot of citizens are concerned about, but now we’re asking them to help pay for it,” he said.

Supervisor Tony O’Brien (Rivanna) pushed back, arguing that “we’re also a community, we’re not a for-profit organization.”

He said he believed this was “a net gain for our community because we are bringing in a type of housing that we don’t have and that is needed for certain members of our community.” He argued that it would also help create a more diverse community that better reflected society as a whole.

Fairchild said he understood that “we’re all in a region together, but I’m not going to invite people to live in my extra bedroom. We have a responsibility first to our taxpayers, to our shareholders, that we have today. And it’s not closing things off, we’re not going to close off growth in Fluvanna. It’s managing growth.”

Both Fairchild and Supervisor Patricia Eager (Palmyra) voted against the motion to approve the Performance Agreement, while O’Brien and Supervisor Mozell Booker (Fork Union) voted for it.

Chair Mike Sheridan (Columbia) said that he has struggled with his vote, but especially after seeing the quality of one of Pinnacle’s older affordable housing developments, believed this was a good way to support the local workforce. He voted for the motion, breaking the tie.

#### **OTHER ITEMS:**

The Attorney General’s office has issued a Certificate of No Objection, formally approving the redistricting plan approved by the board in December. Because the new borders of the Palmyra District have shifted to the east of Rt. 15, the polling location at Palmyra Fire House is no longer

within the district. After a public hearing, supervisors voted 5-0 to move the polling location to the Beaver Dam Baptist Church on Rt. 250.

County Administrator Eric Dahl followed up on a comment made by a citizen who spoke during the recent public hearing on Village Oaks. The speaker had said Aqua Virginia was far exceeding the allowable limits for discharging suspended solids and biochemical oxygen demands (BOD) by over 200 percent at its Rt. 600 treatment plant. Dahl looked at data from the Department of Environmental Quality (DEQ) and the Environmental Protection Agency (EPA) and found that the speaker had likely confused the annual allowable discharge rate with the monthly rate. According to the data, the plant is using well under 25 percent of its monthly allowance.