



August 11, 2026 City Council Meeting

Title

Disposition of Real Estate for Affordable Housing —Liz Webb, Housing Coordinator
Roughly 360,000 Square Feet Along Neff Avenue to Pennrose, LLC

Summary

As directed by City Council, staff negotiated an agreement for the City's disposition of roughly 8.26 acres (the "Neff Avenue site") to Pennrose, LLC for residential development. The Neff Avenue Development Agreement (the "Agreement") will convey the Neff Avenue site to the developer at no cost in order to support the creation of a maximum of 220 affordable housing units.

As detailed in the Agreement, the conveyance is conditioned upon successful applications for land use approvals and project financing. The Agreement details timeframes and other expectations for the phased project. Units will be restricted to and affordable for qualified low-income renters for a minimum of 30 years. Facilitating the development of affordable housing serves an important public purpose in the interests of the City and its residents.

Disposition requires a public hearing and City Council approval, the proposed Agreement for which Council consideration is requested.

Recommendation

Option 1. Approve the Agreement following the required public hearing

Fiscal Impact

Approval of the Agreement involves disposition of land at no cost for development of affordable housing

Context & Analysis

In response to community concerns about housing affordability, the City commissioned the Harrisonburg Comprehensive Housing Assessment and Market Study. The study noted that public land is a valuable tool the City could leverage to meet local housing objectives, and recommended identifying suitable City-owned parcels for affordable and mixed income residential development, including the Neff Avenue site. A subsequent site analysis indicated that the Neff Avenue site could feasibly support the development of affordable multifamily housing. Following an open solicitation, Pennrose, LLC was selected to plan, construct, and manage the development.

Options

1. Approve the Agreement following the required public hearing
2. Decline to approve the Agreement
3. Provide alternate direction

Referenced materials are as follows:

- City of Harrisonburg Comprehensive Housing Assessment and Market Study, www.harrisonburgva.gov/housing-study
- City Properties (Neff Avenue & Central Avenue) Development Site Analysis, www.harrisonburgva.gov/sites/default/files/city-manager/files/Housing/Property_Technical_Study.pdf
- City Parcels and Affordable Housing, <https://harrisonburg-va.legistar.com/LegislationDetail.aspx?ID=6549073&GUID=3793E170-A4C9-4CAE-93C1-00EE89CB7AA9>
- Developing Affordable Housing on City-Owned Land, <https://harrisonburg-va.legistar.com/LegislationDetail.aspx?ID=6840534&GUID=4B03DCE2-4065-40D2-A37E-117F30D89CB2>
- Neff Ave Development Opportunity Update, <https://harrisonburg-va.legistar.com/LegislationDetail.aspx?ID=7728638&GUID=B612552C-3C61-4EAC-A604-8A19515BF680>

Attachments

1. PowerPoint Presentation
2. Public Hearing Notice
3. Neff Avenue Development Agreement
4. Development Opportunity (RFP)
5. Pennrose, LLC Submittal (Proposal)