

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	April 17, 2023
Action Required:	Approve Resolutions
Presenter:	Alexander Ikefuna, Director of Community Solutions
Staff Contacts:	Alexander Ikefuna, Director of Community Solutions Brenda Kelley, Redevelopment Manager
Title:	Resolution to award FY23 Charlottesville Affordable Housing Funds (CAHF) (1 of 2 readings)

Background

The City's FY22/23 budget included funding the Charlottesville Affordable Housing Fund (CAHF).

In November 2021, the City Council approved and adopted the 2021 Comprehensive Plan Amendment, of which the Charlottesville Affordable Housing Plan was a part. As part of the implementation process of this new plan, the City revised its approach towards allocation of funding for affordable housing and homelessness support initiatives. A Notice of Funding Availability (NOFA) was issued in October 2022 to advise the community of the new approach and proposed timelines of upcoming invitations for funding for affordable housing-related initiatives for CDBG/HOME, Housing Development Project Investments, Housing Operations & Program Support (HOPS) and the Charlottesville Affordable Housing Fund (CAHF). Following the issuance of the NOFA, a series of competitive invitations for applications were issued separately, for each of the four programs.

On January 2, 2023, a competitive invitation for applications was issued for the CAHF for a total funding amount of \$835,000, with applications due January 30, 2023.

Discussion

Staff received six (6) applications for CAHF funding by the submission deadline. A total of \$1,720,611 in funding was requested. A review of all the applications was done over several meetings of the CAHF Committee, recently appointed by City Council as recommended by the Affordable Housing Plan. A summary of the applications and the recommendations for FY23 CAHF allocations are presented below:

Project: Charlottesville Critical Emergency Repair Program

Applicant: Albemarle Housing Improvement Program (AHIP)

CAHF Request: \$250,000

Funds will enable AHIP to serve 30 Charlottesville households (with an anticipated investment of \$5,000 to \$10,000 in CAHF funds per project)

Project: Public Housing HVAC Equity Project
Applicant: Charlottesville Redevelopment and Housing Authority (CRHA)
CAHF Request: \$450,000

The CRHA is proposing to install central air conditioning – to install the central air conditioning, we must also upgrade the electrical services in each unit. This project would preserve and modernize 57 deeply affordable housing units in the City.

Project: Rehabilitation Repairs to Preserve Community Services Housing Properties
Applicant: Community Services Housing, Inc.
CAHF Request: \$135,611

Funds for urgent rehabilitation repairs at 3 of its properties (34 units).

Project: Transitions to Homeownership 2023
Applicant: Habitat for Humanity of Greater Charlottesville
CAHF Request: \$410,000

Funds to provide tiered down payment assistance to 13 low- and very low-income families. Focus on supporting families with low AMI who are moving from CRHA public housing and local voucher assistance to homeownership.

Project: Anti-displacement through Prospect Homeownership
Applicant: Piedmont Housing Alliance
CAHF Request: \$225,000

Funds will support the rehabilitation and resale of 5 homes in the Fifeville neighborhood (\$45,000 per home) in conjunction with the Piedmont Community Land Trust.

Project: Premier Circle PSH
Applicant: Virginia Supportive Housing
CAHF Request: \$250,000

Funds will leverage the almost \$6 million of project funds that remain uncommitted. 85% of homeless individuals cite Charlottesville as their home, therefore 68 of 80 units @ +/- \$3,600 subsidy each resident.

The Charlottesville Affordable Housing Plan recommends that targeted funding awards should be allocated as follows:

Level of Funding	Amount of Funding	Households Served
Tier 1	\$420,000	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	\$250,000	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	\$165,000	serving households with incomes up to 80% of Area Median Income (AMI)

However, if City Council approves the allocation as recommended by the CAHF Committee, funding by Tier level, as recommended, should be awarded as follows:

Level of Funding	Amount of Funding	Households Served
Tier 1	\$480,306	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	\$186,722	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	\$167,972	serving households with incomes up to 80% of Area Median Income (AMI)

After careful consideration and discussion of all applications, the CAHF Committee recommended the following awards of CAHF funding:

- CRHA; Public Housing HVAC Equity Project; \$187,500
- Community Services Housing, Inc.; Rehabilitation Repairs to Preserve Community Services Housing Properties; \$67,806
- Habitat for Humanity of Greater Charlottesville; Transitions to Homeownership 2023; \$225,000
- Piedmont Housing Alliance; Anti-displacement through Prospect Homeownership; \$167,972
- Virginia Supportive Housing; Premier Circle PSH; \$186,722, with the condition that all funding be allocated to capital expenses only (no administrative/operating funding)

Alignment with City Council's Vision and Strategic Plan

The overall funding of affordable housing initiatives supports City Council's visions of Quality Housing Opportunities for All; A Green City; Community of Mutual Respect; and Smart, Citizen-Focused Government.

Approval of this request is also supported by the following:

Strategic Plan Goals:

- Goal 1.3: Increase affordable housing options
- Goal 1.4: Enhance financial health of residents
- Goal 1.5: Intentionally address issues of race and equity
- Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources

Comprehensive Plan Guiding Principles (2021):

- Equity & Opportunity – All people will be able to thrive in Charlottesville.
- Community Culture & Unity – Charlottesville's rich and diverse culture and form will be celebrated, and the entire community will feel welcomed, valued and respected.
- Local & Regional Collaboration – From the neighborhood to the region, open conversations and partnerships will make the city stronger.
- Environmental Stewardship & Sustainability – The Charlottesville community will demonstrate environmental and climate leadership.

- (Numerous Goals in the Comprehensive Plan also support this request).

Community Engagement

This CAHF allocation is in keeping with the provisions in the Affordable Housing Plan and 2021 Comprehensive Plan that were recommended by the Planning Commission and approved by the City Council. Both documents went through an extensive public engagement process. Also, the application review was done by the CAHF Committee, which members are appointed by City Council.

Budgetary Impact

This request does not encumber any additional funding from the City budget. CAHF funding was allocated in the Capital Improvement Program (CIP) FY22/23 budget. This approval allocates this FY22/23 CIP funding.

Recommendation

Staff recommends City Council approve the attached Resolutions awarding FY23 CAHF funding. If approved, the funding will support various levels of affordable housing, as follows:

Level of funding: Tier 1 – serving households with incomes up to 30% AMI:

- CRHA; Public Housing HVAC Equity Project; \$187,500
- Community Services Housing, Inc.; Rehabilitation Repairs to Preserve Community Services Housing Properties; \$67,806
- Habitat for Humanity of Greater Charlottesville; Transitions to Homeownership 2023; \$225,000

Level of funding: Tier 2 – serving households with incomes up to 60% AMI:

- Virginia Supportive Housing; Premier Circle PSH; \$186,722, with the condition that all funding be allocated to capital expenses only (no administrative/operating funding)

Level of funding: Tier 3 – serving households with incomes up to 80% AMI:

- Piedmont Housing Alliance; Anti-displacement through Prospect Homeownership; \$167,972

Alternatives

City Council could decide to provide the recommended projects with different levels of funding than those recommended. Council could also decide to fund a different set of the projects outlined above, or choose to not award any funding for any of these projects at this time.

Attachments

1. Applications Summary CAHF Jan2023
2. Resolutions CAHF FY23 funding 041723