

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



Agenda Date:	August 21, 2023
Action Required:	Council approval of the CAPER for PY 2022-2023 & Approval of Council's Priorities for the PY 2024-2025 CDBG & HOME Programs
Presenter:	Anthony Warn, Grants Analyst, Alexander Ikefuna, Director of Community Solutions
Staff Contacts:	Anthony Warn, Grants Analyst Taylor Harvey-Ryan, Grants Program Manager
Title:	Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs

Background

The City of Charlottesville has been designated by the U.S. Department of Housing & Urban Development (HUD) as an 'Entitlement Community' and as such participates in the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. HUD requires that communities receiving CDBG and/or HOME funds to generate a 5-year Consolidated Housing and Community Development Plan. The relevant Consolidated Plan was reviewed by the Planning Commission and approved by Council on May 7, 2018. HUD further requires communities receiving CDBG and/or HOME funds to report at the end of each program year on their progress towards implementing the goals and objectives outlined in their Consolidated Plan through the Consolidated Annual Performance and Evaluation Report (CAPER) tool.

Discussion

This public hearing is intended to serve as an additional forum for community involvement and comment on the city's work of the CDBG and HOME programs to benefit the residents of the City of Charlottesville.

PROGRAM PERFORMANCE HIGHLIGHTS FOR THE FY 2022-2023 CDBG & HOME PROGRAMS

During the FY 2022-2023 program year, the city's CDBG & HOME programs directly benefitted more than 405 city residents through projects that focused on, among others, including: critical replacement of an outdated HVAC system for a local group home for adults with developmental disabilities; business and financial trainings for area small businesses and entrepreneurs; construction of an ADA-compliant pedestrian footbridge across a branch of the Rivanna River to connect a neighborhood many low-to-moderate income and public housing residents to a nearby public park currently undergoing its own expansion and upgrades; energy-efficiency home & roof repairs for income-qualified homeowners to make possible installation of solar panels by Dominion Energy; an associated green energy jobs training program for income-qualified participants;

employment-related tutoring program serving adults identified as functionally non-proficient; and employment development services by and for residents of city publicly-supported housing.

<i>Table 1: CDBG Activities PY 2022-2023*</i>		<i>Goal</i>	<i>Actual</i>
Support Job Improvement through Microenterprise Assistance	Business Assisted	22	43
Conduct Public Services Employment Training	Persons Assisted	48	57
Enhance & Improve Access to Neighborhood Amenities	Persons Assisted	2240	4370
Housing Rehabilitation	Housing Units	10	15
TOTAL			4,485

* *These are preliminary counts and may change before final review of the CAPER.*

Of note, approximately 77.0% of direct CDBG beneficiaries and 60.5% of HOME beneficiaries could be identified as members of an ethnic minority. In terms of impact by income level, 36.2% of all direct CDBG beneficiaries were at or below 50% local AMI (with another 63.8% being between 50-80% of local AMI) and 85.0% of direct HOME beneficiaries were at or below 60% AMI.

Throughout the FY22-23 program year, the city continued to experience significant challenges to fully implementing the CDBG & HOME programs as a result of the COVID pandemic emergency. In spite of these challenges, the HOME program was able to deliver many benefits to the greater Charlottesville area (note that accomplishments are reported for all members of the HOME Consortium as a result of the way the data is reported by HUD):

<i>HOME Activities PY 2022-2023*</i>		<i>Goal</i>	<i>Actual</i>
Homeowner Rental Rehabilitation	Persons Assisted	10	15

* *These are preliminary counts and may change before final review of the CAPER.*

SETTING PRIORITIES FOR THE FY 2024-2025 CDBG & HOME PROGRAMS

At a public hearing on September 19, 2022, Council established their priorities for the FY 2023-2024 CDBG & HOME programs. The city remains committed to these priorities, with a continued emphasis on expanding homeownership and rental opportunities for income-qualified residents and with an added emphasis on public infrastructure improvements designed to eliminate or reduce barriers to access to public amenities for mobility-impaired residents.

Staff recommends continued funding of the CDBG Administration & Planning program at 20% of the total award, which pays for a variety of program expenses including: salaries and program administration supplies; required Environmental Reviews for all HUD-funded programs; coordination of the CDBG/HOME Taskforce; technical assistance services to individuals and community benefit organizations; implementation of the city’s Citizen Participation Plan and other important public input efforts; required program implementation monitoring, including Davis Bacon and other Section 3 requirements, among others. Staff also recommends continued funding of public service activities at the HUD limit of 15% of the total CDBG award for that year.

Our work with the CDBG and HOME programs in recent has increased our awareness of the depth of need in our community for: added emphasis on expanding affordable homeownership and rental options; critical repairs and energy upgrades to assist low-income households, especially as we encounter the increasing effects of global climate change; and efforts to eliminate physical barriers encountered by mobility-impaired persons, especially in regards to accessing public facilities and amenities like parks and public buildings like restaurants, especially as much of the city's public infrastructure is old, often predating the 1973 Americans with Disabilities Act.

In accordance with these new learnings, staff recommends that Council consider and approve the following slightly revised priorities for the FY 2024-2025 CDBG & HOME Programs:

- A continued emphasis on expanding access to affordable housing opportunities (including but not limited to low-income housing redevelopment); workforce development (including but not limited to efforts to bolster Section 3 training opportunities and partnerships with the City's GO programs); microenterprise assistance; access to quality childcare; homeowner rehabilitation and energy-efficiency upgrades; down payment assistance; and improvements to public infrastructure improvements designed to eliminate or reduce barriers to access to public amenities for mobility-impaired residents
- For FY 24-25, \$89,896.51 of CDBG Entitlement funds (EN) be set aside for Economic Development programs
- For FY 23-34 \$89,896.51 of CDBG Entitlement funds (EN) be set aside for Public Facilities and Improvements, with an emphasis on projects to eliminate or reduce barriers to access for mobility-impaired residents
- The CDBG Admin and Planning budget be set at 20% of the total CDBG entitlement
- Any other guidelines or directions Council may wish to give in determining how CDBG and HOME funds should be spent

Alignment with City Council's Vision and Strategic Plan

This agenda item aligns directly with Council's vision for Charlottesville to have Economic Sustainability, Quality Housing Opportunities for All, and A Connected Community. Projects also support many of the objectives and goals listed in the City's Strategic Plan: An Inclusive Community of Self-sufficient Residents, A Beautiful and Sustainable Natural and Built Environment, A Strong, Creative and Diversified Economy, and a Healthy and Safe Community. This also addresses several of the provisions in the Affordable Housing Plan and the city's Comprehensive Plan.

Community Engagement

Consistent with the practices of the CDBG and HOME programs in prior years, community engagement with the development of the PY 2024-2025 CDBG & HOME programs will be supported through multiple practices. Community notices will be issued announcing the anticipated availability of HUD funding. All received applications for both programs will be reviewed by a CDBG/HOME Taskforce consisting of a diverse group of city residents. Taskforce funding recommendations will be made available for public review and comment and will be advertised widely, including, among others: as a City News Alert through the city's Department of Communications; an email notice to an extensive list of groups and interested individuals; posting on both the website of the city's Office of Community Solutions (www.charlottesville.gov) as well as that of the Thomas Jefferson Planning District Commission (<https://tjpd.org/our-work/thomas-jefferson-regional-home-consortium/caper->

[2022/](#)); and through the local newspapers. Additionally, Taskforce funding recommendations will be presented at public hearings before both the city's Planning Commission and City Council, with final approval coming from Council.

Budgetary Impact

Approval of the CAPER and approval of Council's priorities for the FY 2024-2025 CDBG & HOME Programs do not involve the receipt or appropriation of any funds, and so do not have any budgetary impact at the present time.

When Council does review and approve any CDBG programs for the 2024-2025 program year (PY) the anticipated CDBG funds from HUD are not drawn from city funds and instead augment the city's ability to support community benefit programs, and as such no adverse impact to the city budget is anticipated.

Further, when considering HOME programs, HUD does require a local match of a minimum of 25% of a locality's HOME award for that program year. The city's local match funds for HOME programs are traditionally drawn from the Charlottesville Affordable Housing Fund (CAHF) account CP-0084.

Recommendation

Staff recommends Council approve the CAPER for PY 2022-2023 & approve the recommended Council Priorities for the PY 2024-2025 CDBG & HOME programs as presented here today before Council.

Suggested motion:

"I move to APPROVE the resolution approving the CAPER for PY 2022-2023 & the resolution approving establishing Council's Priorities for the PY 2024-2025 CDBG & HOME programs as presented here today before Council."

Alternatives

Based on the comprehensive Needs Assessment process that informed the recently approved Consolidated Action Plan for FY 2022-2027 and the requirement for local approval of CAPER to continue the city's continued eligibility to receive CDBG and HOME funds from HUD, no alternatives are recommended.

Attachments

1. CAPER FY22 Council Resolution to Approve 2023-08-21
2. Resolution to Establish Council Priorities for FY24 CDBG & HOME 2023-08-21
3. Council Priorities for PY22 CDBG & HOME Programs - Resolution #R-21-134 (1)