

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



Agenda Date:	March 17, 2025
Action Required:	Approval of Resolution
Presenter:	Antoine Williams, Housing Program Manager
Staff Contacts:	Alexander Ikefuna, Director, Office of Community Solutions Antoine Williams, Housing Program Manager Madelyn Metzler, Housing Compliance Coordinator
Title:	Resolution for award of FY25 Charlottesville Affordable Housing Fund Grant funding (1 of 2 readings)

Background

The City’s Fiscal Year 2024-2025 (FY25) budget included funding for the Charlottesville Affordable Housing Fund (CAHF). A Notice of Funding Availability (NOFA) was issued on August 19, 2024, announcing timelines and the amount of funding available for the CAHF Grant program. The notice specified \$823,000 available for CAHF with an application period of October 21, 2024, through November 22, 2024. The CAHF Committee recommendations for the FY25 CAHF allocations are detailed within the discussion section of this agenda memo.

Discussion

Staff received six (6) applications from CAHF applicants for funding by the submission deadline. A total of \$1,611,00 in funding was requested. The CAHF Committee reviewed and scored the applications individually and as a group. The committee first ranked the applications based on alignment with the City’s affordable housing goals and the quality and completeness of the application. These rankings were made collectively as a committee and categorized as follows:

- A = Proposals in this category are highly aligned with the committee's funding priorities and are deemed to have significant impact and feasibility.
- B = Proposals in this category have merit but may require additional scrutiny or clarification from applicants before full funding can be justified.
- C = Proposals in this category are either unclear, provide limited benefit or alignment with the city's goals, or have significant concerns that raise doubts about their viability.

The grid below shows how the types of rankings aligned:

A	B	C
3 applications	3 applications	0 applications

The committee members individually scored the applications based on the quality of the applicants' responses and the proposed project using a scoring tool developed by the Committee. Following an overall discussion of each application, the Committee finalized their individual scores. Following tabulation of committee members' individual scoring and discussion of any scores with wide discrepancies, the Committee came to an overall score based on averages of the reviewers' scores, with a maximum possible score of 105.

The grid below shows the distribution of scores:

0-50	51-80	81-90	91-105
1 application	0 applications	4 applications	1 application

Based on the amount of funding available through this application cycle, the amount of funding requested in the applications, and the scoring rankings, the committee recommends that five (5) of the CAHF applications be funded at 100% of their requested funding. A summary of the applications and the recommendations for FY25 CAHF allocations are presented below:

Applicant: Albemarle Housing Improvement Program (AHIP)

Project Name: Charlottesville Critical Rehabilitation Program

Request: \$240,000

Description: To provide home rehabs, critical repairs, accessibility modifications, and energy-efficiency upgrades to 12 homeowners, which will preserve existing affordable housing, keep homeowners safe in their homes, reduce the overall costs of homeownership, and slow gentrification. Anticipated investment of \$20,000 per unit.

Committee Score: 85

Funding Recommendation: \$240,000

Applicant: Community Services Housing, Inc. (CSH)

Project Name: Rehabilitation Repairs to Preserve Community Services Housing Properties

Request: \$88,000

Description: To preserve and enhance affordable housing by addressing critical repairs in 20 units across Community Services Housing properties. These repairs ensure safe, livable, and more energy-efficient homes for individuals with disabilities and those with extremely low incomes. Anticipated investment of \$4,400 per unit.

Committee Score: 87

Funding Recommendation: \$88,000

Applicant: Greater Charlottesville Habitat for Humanity, Inc. (Habitat)

Project Name: Habitat CORE 2025

Request: \$160,000

Description: To create four affordable homes for households with incomes at or below 60% AMI. This pilot project will serve as a test case of the new zoning code, creating four homes on a site which previously would have permitted 1-2. Anticipated investment of \$40,000 per unit.

Committee Score: 93

Funding Recommendation: \$106,000

Applicant: Piedmont Housing Alliance (PHA)

Project Name: 905 Rives St.

Request: \$200,000

Description: The Piedmont Housing Alliance, in partnership with the Piedmont Community Land Trust, seeks to build 12 permanently affordable homes of varying bedroom counts in the Belmont neighborhood. Anticipated investment of \$16,667 per unit.

Committee Score: 82

Funding Recommendation: \$200,000

Applicant: Piedmont Housing Alliance (PHA)

Project Name: 356 11th St. NW

Request: \$100,000

Description: The Piedmont Housing Alliance, in partnership with the Piedmont Community Land Trust, seeks to build two permanently affordable homes for sale in the historically African American neighborhood of 10th and Page. Anticipated investment of \$50,000 per unit.

Committee Score: 85

Funding Recommendation: \$100,000

Applicant: Preservation of Affordable Housing (POAH)

Project Name: 10th and Wertland Development

Request: \$823,000

Description: To develop a sustainable, affordable rental community on land to be conveyed by the University of Virginia Foundation's Affordable Housing Initiative in Charlottesville that serves as an example of what inclusive development can achieve. Anticipated investment of \$4,572 per unit.

Committee Score: 46

Funding Recommendation: \$0

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

- **AHIP's Charlottesville Critical Rehabilitation Program:** \$240,000
- **Community Services Housing, Inc.'s Rehabilitation Repairs to Preserve CSH Properties:** \$88,000
- **Habitat for Humanity of Greater Charlottesville's Habitat Core 2025:** \$160,000
- **Piedmont Housing Alliance's 905 Rives St.:** \$200,000
- **Piedmont Housing Alliance's 356 11th St. NW:** \$100,000

This recommendation provides full funding for five of the six applications. The Committee did not recommend funding for the application from POAH for the 10th and Wertland Development. While the project proposed in the application has merit, the Committee assigned it a lower priority in the context of competing applications and the limited funding available in the CAHF. The Committee recognizes the importance of this development—which proposes the construction of 180 rental units at varying affordability levels—and the benefits it will provide the community once realized.

The POAH application is clear, however, that the development's currently projected cost of just over \$66 million will rely on a substantial funding contribution from the City of Charlottesville. That

contribution would include not only the entire \$823,000 available in this CAHF cycle but also a \$3 million contribution from the city's Capital Improvement Plan. The development's financing would also include a \$3.5 million property tax rebate loan from Virginia Housing. The application is also clear that these contributions are a critical necessity to secure Low Income Housing Tax Credits that would enable approximately \$30 million in equity and make up nearly half of the development's funding.

In reviewing the application, the Committee considered the uncertainty of these funding elements, the implications for a construction and funding expenditure timeline, and the magnitude of the City's anticipated contribution, which will require, at a minimum, a revision of the currently projected Capital Improvement Plan. The Committee also considered that a major CAHF contribution to the development now would severely constrain available funding for other applications of merit. Based on these factors and the scope of the anticipated overall funding contribution from the City, the Committee believes this development would be best considered as a stand-alone project by City Council. This would allow for a comprehensive assessment of the City's financial participation in the development as well as the implications for the various funding streams that support affordable housing initiatives in Charlottesville.

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

Level of Funding	Percentage of Funding	Amount of Funding	Households Served
Tier 1	50%	\$417,500	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	30%	\$250,500	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	20%	\$167,000	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	Percentage of Funding	Amount of Funding	Households Served
Tier 1	15%	\$120,775	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	59%	\$467,225	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	25%	\$200,000	serving households with incomes up to 80% of Area Median Income (AMI)

Alignment with City Council's Vision and Strategic Plan

The funding recommendations aligns with the following:

1. Alignment with Affordable Housing and Comprehensive Plans: The funding recommendations made by the CAHF Committee for the CAHF Grant program align with the goals and priorities outlined in Charlottesville's Affordable Housing and Comprehensive Plans. The recommended funding supports initiatives addressing homelessness prevention, legal assistance, homeownership support, and affordable housing development, key focus areas of the city's affordable housing plan.
2. City Council Strategic Plan Framework/Strategic Outcome Area (SOA) Housing: Housing Choice and Mobility: The CAHF program supports a variety of initiatives aimed at improving housing affordability and accessibility. These include critical repairs, housing rehabilitation, homelessness prevention, legal aid for housing-related issues, and homeownership programs. By providing diverse housing options, the program directly contributes to housing choice and mobility for all residents, as outlined in the Affordable Housing Plan.
3. SOA Economic Prosperity: Driving Prosperity for All: Investing in affordable housing initiatives through the CAHF program ensures that all residents have access to stable and affordable housing. Stable housing is foundational for pursuing economic opportunities, building wealth, and contributing to community prosperity. By fostering economic stability for residents, the program drives economic prosperity for the entire community.
4. SOA Partnerships: Magnify Positive Community Outcomes through Capacity Support: The CAHF program involves collaboration with various stakeholders, including nonprofit organizations, housing authorities, legal aid services, and community development organizations. These partnerships amplify the positive outcomes of affordable housing initiatives by leveraging resources, expertise, and community networks. By fostering meaningful collaborations, the program enhances the effectiveness of initiatives addressing housing needs.
5. Commitment to Justice, Equity, Diversity, and Inclusion: The CAHF program reflects the city's commitment to justice, equity, diversity, and inclusion by addressing housing needs across various demographic groups and socioeconomic backgrounds. By providing housing support to vulnerable populations and advancing social and economic justice, the program contributes to creating a more inclusive and equitable community.

In summary, the CAHF Grant program and its funding recommendations align closely with Charlottesville's vision for creating an environment where everyone can thrive. Through its support for affordable housing initiatives, the program contributes to economic prosperity, fosters partnerships, and promotes justice, equity, diversity, and inclusion. Moving forward, continued investment in the CAHF Grant program will be essential for advancing the city's goals for inclusive and equitable community development.

Community Engagement

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

Budgetary Impact

The funds being requested by this resolution were previously appropriated to the CAHF fund as part of the Capital Improvement Program (CIP) FY24/25 budget.

Recommendation

Staff recommends City Council move to approve the attached Resolution awarding FY25 CAHF funding. In so doing, the funding will support various levels of affordable housing, as follows:

- AHIP's Charlottesville Critical Rehabilitation Program: \$257,500
- Community Services Housing, Inc.'s Rehabilitation Repairs to Preserve CSH Properties: \$88,000
- Habitat for Humanity of Greater Charlottesville's Habitat Core 2025: \$160,000
- Piedmont Housing Alliance's 905 Rives St.: \$200,000
- Piedmont Housing Alliance's 356 11th St. NW: \$100,000

Alternatives

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

Attachments

1. Summary of CAHF Applications Received
2. Resolution_CAHF FY25