

Policy Briefing Summary

City Council



Regarding:	Public Hearing and Resolution to amend the City of Charlottesville, Virginia ("City"), CDBG and HOME Funding Awards for Program Year 2025-26, a Minor Amendment to the City's 1-Year Annual Action Plan, in the amounts of \$6,835.00 (CDBG) and \$2,859.47 (HOME) (1 of 2 readings)
Staff Contact(s):	Anthony Warn, Grants Analyst, Taylor Harvey-Ryan, Grants Program Manager
Presenter:	Anthony Warn, Grants Analyst
Date of Proposed Action:	June 16, 2025

Issue

The City is an Entitlement Community participating in the Community Development Block Grants ("CDBG") and HOME Investment Partnerships Program(s) through the U.S. Department of Housing & Urban Development ("HUD"). Local approval by an elected, representative body is required by HUD for all HUD-funded activities, including amendments that are the result of HUD action.

Background / Rule

On May 14, 2025, the City was notified by HUD of its formula allocations for the City's CDBG and HOME Programs. HUD's official 2025-26 CDBG allocation of \$445,452 represents a slight increase of \$6,835 (or +1.56%) over the previous 2024-25 allocation of \$438,617; thereby, providing the City with the opportunity to increase funding awards for some previously approved sub-recipient activities. Similarly, the 2025-26 allocation for the Thomas Jefferson Area HOME Consortium represents a positive increase of \$35,898.06 (or 5.51%) over the previous 2024-25 allocation of \$651,111.00.

Specifically, the City now has the opportunity to provide an additional \$4,442.75 in CDBG funds to support activities that fit within HUD's Public Services activities category, and an additional \$2,859.47 in HOME funds to support Piedmont Housing Alliance's ("PHA") 905 Rives Street affordable housing initiative.

Analysis

CDBG:

HUD regulations limit funding for what it classifies as Public Services ("PS") activities to no more than 15% of the CDBG allocation for that Program year. The funding recommendations for PS activities that were approved by City Council on May 5, 2025, were estimated based on the City's 2024-25 CDBG allocation. As the amount allocated by HUD for CDBG in its May 14, 2025, Formula Award Notification Letter to the City was slightly higher than anticipated, the 15% now available to fund PS activities is slightly larger than the amount on which the initial funding recommendations were based. Given the value of PS activities to our community, especially for those who may be most in need of their benefits, it is advantageous for the City to increase its previously approved PS activity awards equally among the three (3) funded activities.

HOME:

Similarly, HUD's May 14 Notification Letter indicates the City can expect to receive a slightly higher HOME award than was anticipated, in the amount of \$85,876.13 (for an anticipated increase of

\$2,859.47). As the proposed cost for PHA's previously approved 905 Rives Street affordable housing Project is significantly higher than the HOME funds initially expected to be available, and given that the City was unable to fund PHA's initial request in full, these additional funds could help PHA close the funding gap for this Project; thereby, speeding up the delivery of these long-term affordable units.

Financial Impact

As the funds proposed here are federal funds allocated to the City by HUD to support community-benefit activities, and, as such, do not draw from the City's General Fund, no adverse impacts to the City's Budget are anticipated. Rather, the use of these funds as recommended here will instead serve to address an important and pressing community need(s), while at the same time, supporting the City's eligibility for allocations of entitlement funds in future years.

Recommendation

Based on the anticipated benefits for our community of the amended CDBG and HOME funding awards presented here today, specifically in that worthy community benefit groups will receive slightly higher awards, City Staff recommends City Council adopt the two (2) attached Resolutions, as well as the associated appropriation of funds within the CDBG and HOME funds needed to implement the proposed Program and related enhancements.

Recommended Motion (if Applicable)

"I move that City Council adopt the attached Resolution amending the CDBG funding recommendations, in the amount of \$445,452.00, and to appropriate associated funds as needed to implement the proposal presented herein;"

and

"I move that City Council adopt the attached Resolution approving the amended HOME funding recommendation, in the amount of \$85,876.13, and to appropriate associated funds as needed to implement the proposal presented herein."

Attachments

1. RES_CDBG amendment \$445,452
2. RES_HOME amendment \$85,876.13
3. FY25 CPD Formula Letter 20250514May14 Charlottesville, VA