



# City of Charlottesville

*To be a Place Where Everyone Thrives*

Office of Budget & Grants Management

## Policy Briefing Memo

To:	Planning Commissioners
Re:	<b>Public Hearing for the Draft One-Year Annual Action Plan &amp; Associated Funding Recommendations for HUD-funded Activities for Program Year 2026-27 (1<sup>st</sup> of 1 reading)</b>
Date:	April 14, 2026
Staff Contact:	Anthony Warn, Grants Analyst

### Action Requested

City staff seeks input and guidance from the Planning Commission regarding the draft 1- Year Annual Action Plan for program year 2026-27 (“PY26”) and associated funding recommendations from the CDBG/HOME Taskforce for the Community Development Block Grants (“CDBG”) and HOME Investment Partnerships (“HOME”) programs, to be forwarded to City Council for further consideration.

### Background/Rule

The City of Charlottesville engages as a ‘participating jurisdiction’ (“PJ”) in the Community Development Block Grant (“CDBG”) & HOME Investment Partnerships (“HOME”) programs offered by the U.S. Department of Housing and Urban Development (“HUD”). Charlottesville is, in that role, the periodic recipient of federal funds to support eligible community development, affordable housing and planning activities as identified by HUD’s Office of Community Planning & Development (“CPD”).

The City of Charlottesville is also a contributing member of the Thomas Jefferson HOME Consortium (“TJHC”) in partnership with the Thomas Jefferson Planning District Commission (“TJPDC”) and the counties of Albemarle, Fluvanna, Greene, Louisa and Nelson, and through the Consortium shares in the benefits of participation in the HOME program.

### Discussion

For the Winter 2026 funding round, the city received thirteen (13) Requests for Proposals (“RFPs”), eleven (11) of which were requests for CDBG funding and two (2) of which were requests for HOME funding, an overview of which is provided as an attachment.<sup>1</sup> Consistent with previous years, the greatest number of applications received were for proposals that are classified by HUD as CDBG

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<sup>1</sup> PDF copies of the applications received during the Winter 2026 Requests for Proposal application cycle can be found on the city’s CDBG & HOME web page at <https://www.charlottesville.gov/678/CDBG-HOME-Programs> or by direct link at <https://www.charlottesville.gov/DocumentCenter/Index/1097>

Public Services activities.<sup>2</sup> The volunteer members of the city’s CDBG/HOME Taskforce have carefully reviewed these requests and based on their deliberations have adopted the proposed funding requests presented here today.

### *Status of HUD Guidance*

While the city is still awaiting receipt of HUD’s official notification letter, HUD recently posted on [hud.gov](https://www.hud.gov)<sup>3</sup> a spreadsheet containing their 2026-27 formula-based allocations for CPD-funded programs. The funding recommendations adopted by the CDBG/HOME Taskforce are currently being amended based on this new notification and will be added to the Planning Commission agenda packet upon receipt of the official notice from HUD.

### *Deliberations of the CDBG/HOME Taskforce*

The current recommendations attempt to maximize the benefit of the limited funds available for these two programs emphasizing proposals that detailed clear and measurable outcomes. Consistent with previous years, deliberations were exceptionally difficult given that all proposals seemed worthy of funding at some level. It should be noted here that at least one applicant built on the feedback received from the Commission during last year’s public hearing by splitting their funding request between the CDBG and HOME programs to stay away from the Public Services cap so as to avoid the limitations imposed by HUD’s 15% spending cap on Public Services activities.

The review team did identify some issues regarding some of the applications that impacted on their deliberations. In one case, an applicant requested significantly more money than is typically available within that program category while also specifying that receipt of less than their full request might make it impossible to complete the proposed activity within the upcoming program year as it would necessitate new fundraising to complete. The review team also noted that many of the applications did not provide a clear and measurable statement of what they hope to accomplish if funded (what the application document refers to as the ‘Shark Tank Elevator Pitch’). Program staff will continue to emphasize inclusion for future funding rounds the need for applicants to craft a concise statement of the work to be done, including the estimated number of measurable outcomes.

### *Implications for Amendments to the CPP*

The taskforce also experienced an issue that may inform proposed revisions to the Citizen Participation Plan and associated municipal code (at Chapter 2, Article XIII).<sup>4</sup> Specifically, one active,

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<sup>2</sup> Public Services is the eligible activity category most severely constrained by HUD in that no more than 15% of each year’s allocation of CDBG funds can be expended on these activities. Due to this HUD-imposed spending cap, for example, for the current 2025-26 program year the city was allowed to award no more than \$66,817.80 for public services activities in spite of the fact that requests for funding in this category totaled \$369,236.00, resulting in a shortfall of available funds of for this category of \$302,418.20.

<sup>3</sup> <https://www.hud.gov/hud-partners/community-budget-26>

<sup>4</sup> [https://library.municode.com/va/charlottesville/codes/code\\_of\\_ordinances?nodeId=CO\\_CH2AD\\_ARTXIII\\_CODEBLGRPL](https://library.municode.com/va/charlottesville/codes/code_of_ordinances?nodeId=CO_CH2AD_ARTXIII_CODEBLGRPL)

engaged member lost their seat by statute when they had to move out of the neighborhood to which they had been appointed by Council to represent. This member remained at all times a city resident and their statutory removal after deliberations had begun was interruptive to the work of the taskforce. The City may wish to consider adding language that would allow members to continue to serve in such cases, such as by having such a seat convert automatically to an at-large seat, at least until such time as Council can take further action on their appointment, among other options available for consideration.

### Evaluation Criteria

The members of the Taskforce have also expressed an interest in reconvening in the near future to evaluate the current CDBG & HOME application templates and associated evaluation criteria to more closely align these documents to the city's current needs to take full advantage of the new grants management software the city has recently adopted, and would appreciate any feedback and/or suggestions the Commissioners may have that can help guide this work.

### Conclusion

In conclusion, while the members of the CDBG/HOME Taskforce would have liked to have been in the position of being able to fund each applicant in full, the funding recommendations outlined in the draft Plan represent the Taskforce's best efforts to invest the limited funds available to them so as to maximize the positive impacts for our community and those residents at the heart of this work.

### **Financial Impact**

There is no adverse financial impact of these recommendations, as the funds proposed to be awarded 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. Rather, use of these funds as recommended here will instead serve to address important and pressing community needs while at the same time supporting the city's continued eligibility for allocations of entitlement funds in future years.

### **Recommendation(s)**

Staff respectfully recommends that the Commissioners of the Charlottesville Planning Commission accept the draft Annual Action Plan and associated funding recommendations as presented here today with the recommendation that these be forwarded to City Council for further consideration. All feedback received from the public during the scheduled Public Comment period and from the Commissioners here today will be incorporated into the Plan to be presented before City Council during two (2) public hearings currently scheduled for May 4 and May 18, 2026, respectively.

### **Suggested Motion(s)**

**I move that the Planning Commission accept the draft 1-Year Annual Action Plan for program year 2026-27 and associated draft funding recommendations as presented here before us today.**

and

**I further move that the Planning Commission recommend that staff present the draft Plan and the associated draft funding recommendations as presented here before us today to the City Council for public review and consideration.**

Attachments:

- 2026-27 CDBG & HOME Funding Recommendations (“PY26), as Adopted by the Members of the PY26 CDBG/HOME Taskforce on April 1, 2026, and Updated based on Preliminary Notice of New Allocations from HUD
- Overview of 2026-27 CDBG & HOME Funding Requests Received
- Draft City Council Resolution to Approve the 2026-27 Annual Action Plan
- Draft City Council Resolution to Approve CDBG Grant Awards for the 2026-27 Program Year\*
- Draft City Council Resolution to Approve HOME Grant Awards for the 2026-27 Program Year\*
- CDBG/HOME Taskforce PY26 Reviewer Evaluation Criteria

*\* Note that these funding recommendations are in draft form pending receipt of the official notification to the city by HUD of actual 2026-27 allocations*