



**CITY COUNCIL AGENDA**  
**Monday, September 18, 2017**

7:00 p.m.

**Regular Meeting - CALL TO ORDER**  
*Council Chambers*

**PLEDGE OF ALLEGIANCE**  
**ROLL CALL**

**AWARDS/RECOGNITIONS**      Celia Thompson  
**ANNOUNCEMENTS**

**CITY MANAGER RESPONSE TO MATTERS BY THE PUBLIC**  
**PUBLIC HEARING – August 11 / 12 Community Response**

**MATTERS BY THE PUBLIC**      Public comment is provided for up to 15 speakers at the beginning of the meeting (limit 3 minutes per speaker.) Pre-registration is available for up to 10 spaces, and pre-registered speakers are announced by noon the day of the meeting. The number of speakers is unlimited at the end of the meeting.

- 1. CONSENT AGENDA\***      (Items removed from consent agenda will be considered at the end of the regular agenda.)
- a. Minutes for September 5, 2017
  - b. APPROPRIATION:      Virginia Department of Historic Resources (DHR) 2017-2018 Certified Local Government Grant Funding for Rose Hill Neighborhood Historic Survey – \$24,000 (2<sup>nd</sup> of 2 readings)
  - c. APPROPRIATION:      Victim Witness Assistance Program Grant – \$250,902 (2<sup>nd</sup> of 2 readings)
  - d. APPROPRIATION:      Risk Management Fund Line of Duty Act (LODA) Insurance Reimbursement – \$28,200 (1<sup>st</sup> of 2 readings)
  - e. APPROPRIATION:      Fiscal Year 2018 Fire Programs Aid to Locality Funding (Firefund) Appropriation – \$145,343 (1<sup>st</sup> of 2 readings)
  - f. APPROPRIATION:      Virginia Homelessness Solutions Grant (VHSP) – \$477,151 (1<sup>st</sup> of 2 readings)
  - g. RESOLUTION:      City Sponsorship for Black Business Expo – \$2,000 (1<sup>st</sup> of 1 reading)
  - h. RESOLUTION:      Transfer to Facilities Capital Projects Lump Sum Account for the Preston-Morris Building Interior Improvements Project – \$37,000 (1<sup>st</sup> of 1 reading)
  - i. ORDINANCE:      Stonefield Gas Easement (2<sup>nd</sup> of 2 readings)
  - j. RESOLUTION:      Support of Deferred Action for Childhood Arrivals (DACA) and Permanent Legal Status for Dreamers (1<sup>st</sup> of 1 reading)
- 2. PUBLIC HEARING:**      Review of Program Performance and Setting Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funds for Program Year 18-19 – **30 mins**
- 3. PUBLIC HEARING / RESOLUTION\*:**      Historical Society Lease of McIntire Building (1<sup>st</sup> of 1 reading) – **20 mins**
- 4. RESOLUTIONS\*:**      Allocation of FY 2018 Charlottesville Affordable Housing Funds Resolutions – **20 mins**
- Revitalization Area Certification for Carlton Views II (1<sup>st</sup> of 1 reading)
  - Allocation of Charlottesville Affordable Housing Fund (CAHF) for Carlton Views, LLC Carlton Views II Development Project -- \$1,440,000 (1<sup>st</sup> of 1 reading)
  - Allocation of Charlottesville Affordable Housing Fund (CAHF) for the Community Services Housing, Inc. -- \$612,500 (1<sup>st</sup> of 1 reading)
- 5. REPORT:**      Stormwater Utility Program Update – **30 mins**
- 6. RESOLUTION\*:**      Indigenous Peoples Day (1<sup>st</sup> of 1 reading) – **15 min**
- 7. RESOLUTION\*:**      Statement of Economic Principles (1<sup>st</sup> of 1 reading) – **30 mins**

**OTHER BUSINESS**  
**MATTERS BY THE PUBLIC**

## GUIDELINES FOR PUBLIC COMMENT

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**We welcome public comment;  
it is an important part of our meeting.**

**Time is reserved near the beginning and at the end of each regular  
City Council meeting for Matters by the Public.**

**Please follow these guidelines for public comment:**

- If you are here to speak for a **Public Hearing**, please wait to speak on the matter until the report for that item has been presented and the Public Hearing has been opened.
- Each speaker has **3 minutes** to speak. Please give your name and address before beginning your remarks.
- Please **do not interrupt speakers**, whether or not you agree with them.
- Please **refrain from using obscenities**.
- If you cannot follow these guidelines, you will be escorted from City Council Chambers and not permitted to reenter.

*Persons with disabilities may request reasonable accommodations by contacting [ada@charlottesville.org](mailto:ada@charlottesville.org) or (434) 970-3182.*

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	September 5, 2017
Action Required:	Appropriation of funds
Presenter:	Mary Joy Scala, Preservation & Design Planner, Department of Neighborhood development Services (NDS)
Staff Contacts:	Alex Ikefuna, Director, NDS
<b>Title:</b>	<b>Virginia Department of Historic Resources (DHR) 2017-2018 Certified Local Government Grant Funding for Rose Hill Neighborhood Historic Survey - \$24,000</b>

**Background:**

The City of Charlottesville through the Department of Neighborhood Development Services has been awarded \$24,000 from the Virginia Department of Historic Resources' 2017-2018 Certified Local Government Subgrant Program to have completed an historic survey of the Rose Hill neighborhood. In addition to the grant of \$12,000 from DHR, there is a local match requirement, of \$12,000, which will be met through the usage of existing Capital Improvement Program funding for new historic surveys.

**Discussion:**

This funding will provide a comprehensive, reconnaissance-level survey of approximately 180 properties, which have never been previously surveyed. It will also provide a Preliminary Information Form (PIF) based on the survey results, to determine if part or all of the neighborhood would qualify for future listing as a National Register historic district.

**Alignment with City Council's Vision and Strategic Plan:**

Appropriation of this item aligns with Council's Vision Statement by supporting Charlottesville Arts and Culture: Charlottesville cherishes and builds programming around the evolving research and interpretation of our historic heritage and resources.

This appropriation also supports Goal 3 of the Strategic Plan: A Beautiful and Sustainable Natural and Built Environment, including: 3.5. Protect historic and cultural resources; and 3.1. Engage in robust and context sensitive urban planning and implementation; and Goal 4: A Strong, Creative and Diversified Economy, including: 4.4. Promote tourism through effective marketing.

### **Community Engagement:**

At the request of the Rose Hill Neighborhood Association (RHNA), staff met with the RHNA on March 28, 2017 to explain the process of historic survey and possible local, State and National historic designations. A letter of support from the RHNA is attached.

### **Budgetary Impact:**

No new City funding will need to be appropriated. The local match of \$12,000 is currently available in Neighborhood Development Services capital projects fund 426 for New Historic Surveys P-00484.

### **Recommendation:**

Staff recommends approval and appropriation of funds.

### **Alternatives:**

An alternative is to deny the requested appropriation, which would be contrary to Comprehensive Plan Historic Preservation Goal 4 Resource Inventory: Systematically inventory and evaluate all historic resources in the City, and develop context narratives that provide the historical and architectural basis for evaluating their significance and integrity.

### **Attachments:**

May 26, 2017 - Letter of support from Rose Hill Neighborhood Association

August 4, 2017 – Letter of agreement from Virginia Department of Historic Resources

**APPROPRIATION**

**Virginia Department of Historic Resources (DHR)  
2017-2018 Certified Local Government (CLG) grant funding  
for Rose Hill Neighborhood Historic Survey  
\$24,000**

**WHEREAS**, the City of Charlottesville, through the Department of Neighborhood Development Services, has received from the Virginia Department of Historic Resources (DHR), funding to support a historic survey for Rose Hill Neighborhood,

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia, that the sum of \$12,000 for the fiscal year 2017-2018 received from the Virginia Department of Historic Resources (DHR) is hereby appropriated in the following manner:

**Revenue**

\$12,000	Fund: 209	IO: 1900289	G/L: 430120 (State/Fed Pass Thru)
\$12,000	Fund: 209	IO: 1900289	G/L: 498010 (Transfer from CIP)

**Expenditure**

\$24,000	Fund: 209	IO: 1900289	G/L: 530670 (Other contractual services)
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**Transfer**

\$12,000	Fund: 426	WBS: P-00484	G/L: 561209(Transfer to grants)
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**BE IT FURTHER RESOLVED**, that this appropriation is conditioned upon the receipt of \$12,000 for the fiscal year 21-7-2018 from the Virginia Department of Historic Resources (DHR).

May 26, 2017

Mary Jo Scala, AICP  
Preservation and Design Planner  
City of Charlottesville  
Department of Neighborhood Development Services

Dear Mary Jo,

I am writing on behalf of the Rose Hill Neighborhood Association in support of an historical survey of the Rose Hill neighborhood area of the City of Charlottesville.

At the last neighborhood association meeting, May 23, 2017, members of the Association affirmed to have the survey conducted.

As we understand from your email of May 22, 2017, the survey area The Burley School, not cross east of the tracks, not cross Preston Avenue, and not include newer commercial areas of Preston Avenue. These are the suggested boundaries which will be finalized after the architectural historism completes the survey work.

Please do not hesitate to contact us if you need anything else.

Thank you,

Nancy Carpenter, President  
Flo Taylor, Vice President  
Christy Reibling, Treasurer  
Liz Crotty, Secretary



# COMMONWEALTH of VIRGINIA

## Department of Historic Resources

2801 Kensington Avenue, Richmond, Virginia 23221

Molly Joseph Ward  
*Secretary of Natural Resources*

Julie V. Langan  
*Director*

Tel: (804) 367-2323  
Fax: (804) 367-2391  
[www.dhr.virginia.gov](http://www.dhr.virginia.gov)

July 27, 2017

Mary Joy Scala  
Preservation and Design Planner  
P.O. Box 911 Charlottesville, VA  
Charlottesville, VA 22902

RE: 2017-2018 CLG Grant Agreement

Dear Ms. Scala:

I am pleased to enclose an agreement for your 2017-2018 CLG Grant for \$12,000 for a comprehensive, reconnaissance-level survey of approximately 180 buildings located in the Rose Hill Neighborhood in central Charlottesville. Congratulations and we look forward to working with you on this project.

Please sign this agreement and return it to **Aubrey Von Lindern, Northern Regional Preservation Office, Department of Historic Resources, P.O. Box 519** in the next ten days. If you have any questions, you are welcome to contact Aubrey at (540) 868-7029.

Sincerely,

A handwritten signature in blue ink that reads "Julie V. Langan".

Julie V. Langan  
Director  
Virginia Department of Historic Resources

Administrative Services  
10 Courthouse Ave.  
Petersburg, VA 23803  
Tel: (804) 862-6408  
Fax: (804) 862-6196

Eastern Region Office  
2801 Kensington Avenue  
Richmond, VA 23221  
Tel: (804) 367-2323  
Fax: (804) 367-2391

Western Region Office  
962 Kime Lane  
Salem, VA 24153  
Tel: (540) 387-5443  
Fax: (540) 387-5446

Northern Region Office  
5357 Main Street  
PO Box 519  
Stephens City, VA 22655  
Tel: (540) 868-7029  
Fax: (540) 868-7033

**Certified Local Government Grant Agreement  
2017-2018**

This agreement entered into this 27th day of July, 2017, by the Commonwealth of Virginia, Department of Historic Resources (DHR), and the City of Charlottesville, the Certified Local Government (CLG), WITNESS that DHR and the CLG, in consideration of the mutual covenants, promises, and agreements herein contained, agree that the grant awarded by DHR to the CLG shall be described below:

**Project Title: Rose Hill Neighborhood Historic Survey**

**Grant Amount: \$12,000 Matching Share: \$12,000 Total Project Costs: \$ 24,000**

**Grant Period: July 15, 2017,\* through June 30, 2018.**

\*Actual start date is the date of full execution of agreement.

**This grant agreement incorporates the following documents:**

- (1) **This signed form;**
- (2) **DHR Request for Applications – 2017-2018 CLG Subgrant Program,** dated March 06, 2017
- (3) **Grant Application** from the City of Charlottesville, dated May 26, 2017;
- (4) **Any negotiated modifications thereto,** all of which are referenced below:
  - a. Any publications produced with grant funds must include the language concerning NPS financial assistance and nondiscrimination as shown below:


This publication has been financed in part with Federal funds from the National Park Service, U.S. Department of the Interior. However, the contents and opinions do not necessarily reflect the view or policies of the U.S. Department of the Interior. This program receives Federal financial assistance for identification and protection of historic properties. Under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, as amended, the U.S. Department of the Interior prohibits discrimination on the basis of race, color, national origin, disability or age in its federally assisted programs. If you believe you have been discriminated against in any program, activity, or facility as described above, or if you desire further information, please write to: Office of Equal Opportunity, National Park Service, 1849 C Street, NW, Washington, D.C. 20240.



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July 27, 2017

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be duly executed, intending to be bound thereby.

**CERTIFIED LOCAL GOVERNMENT**

Signature: 

Name: Mary Joy Scala

Title: Preservation and Design Planner

Date: 8-9-2017

**COMMONWEALTH OF VIRGINIA  
DEPT. OF HISTORIC RESOURCES**

Signature: 

Name: Julie V. Langan

Title: Director

Date: 7-31-17

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CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	September 5, 2017
Action Required:	Approval and Appropriation
Presenter:	Maggie Cullinan, Coordinator Victim and Witness Assistance Program
Staff Contacts:	Maggie Cullinan, Coordinator Victim and Witness Assistance Program Ryan Davidson, Senior Budget and Management Analyst
Title:	<b>Victim Witness Assistance Program Grant \$250,902</b>

**Background:**

The City of Charlottesville, through the Commonwealth's Attorney's Office, has received the Victim Witness Program Grant from the Virginia Department of Criminal Justice Services in the amount of \$164,176 in Federal Funds and \$54,726 in State General Funds, and \$32,000 supplement from the Commonwealth Attorney's operating budget for a total award of \$250,902.

**Discussion:**

The victim's rights movement began in the 1970s as a result of victims being re-victimized by the criminal justice process. Victims had difficulty navigating the complexities of the criminal justice system and no voice or recourse when their cases were continued or pled out without their knowledge or consent. Prosecutors did not have the time or skills to respond to victims who were traumatized, but knew that in order to proceed with their case, many victims would need more services than the prosecutor's office could provide. In response to this need, the federal Victims of Crime Act was passed in 1984 and funds became available through the Virginia Department of Criminal Justice to respond to the needs of victims. The Charlottesville Victim/Witness Assistance Program was established in 1989 and has been meeting the needs of Charlottesville crime victims ever since. The Program is one of more than 60 such programs in the state that provides crisis intervention and advocacy, information and support during and after criminal justice proceedings, access to compensation and restitution, referrals to local community agencies and ensures victims are afforded their rights as outlined in Virginia's Crime Victim and Witness Rights Act. The Program also provides training on victim issues to law enforcement and allied agencies. It regularly serves more than 800 victims and 20 witnesses each year.

**Alignment with City Council's Vision and Strategic Plan:**

Approval of this agenda item aligns directly with Council's vision for Charlottesville to be America's Healthiest City, a Community of Mutual Respect and a Smart, Citizen-Focused Government. According to the Bureau of Justice Statistics, the total economic loss to crime victims was \$1.19 billion for violent offenses and \$16.2 billion for property crime in 2008. Statistics vary on the amount of intangible losses victims accumulate, such as the effects of the crime on their sense of security, mental health and relationships. The Charlottesville Victim Witness Assistance Program contributes to the health of the community by connecting crime victims with medical and mental health providers through the Criminal Injury Compensation Fund. The Program helps create a **Community of Mutual Respect** by responding to the needs of crime victims and helps achieve a

**Smart, Citizen-Focused Government** by ensuring their rights are recognized throughout the local criminal justice system, including police, prosecution, judges and probation.

**Community Engagement:**

The Victim Witness Assistance Program is engaged daily with victims of crime who access services through referrals from police, court services, social services and other allied agencies. Program staff contacts crime victims within 48 hours of their reported victimization. Program staff serves on several coordinating councils, such as the Multi-Disciplinary Team on Child Abuse, the Domestic Violence Coordinating Council, the Sexual Assault Response Team, the Monticello Area Domestic Violence Fatality Review Team and the Charlottesville/Albemarle Evidence Based Decision Making Policy Team. The program regularly provides outreach in the forms of government services day, training and speaking engagements at UVA, PVCC and other allied agencies as requested.

**Budgetary Impact:**

The Victim Witness Assistance Program Grant is renewed annually; the amount of this year's award is \$218,902. The salary supplement of \$32,000 was budgeted in the Commonwealth's Attorney's budget as part of the FY 2018 Adopted Budget and will be transferred into the grants fund.

**Recommendation:**

Staff recommends approval and appropriation of grant funds.

**Alternatives:**

If grant funds are not appropriated, Charlottesville crime victims will have no access to compensation, advocacy or services afforded to them under Virginia's Crime Victim and Witness Rights Act.

**Attachments:**

Appropriation Memorandum

**APPROPRIATION**

**Charlottesville Victim Witness Assistance Program Grant**

**\$250,902**

**WHEREAS**, The City of Charlottesville, through the Commonwealth Attorney’s Office, has received an increase in the Victim Witness Program Grant from the Virginia Department of Criminal Justice Services in the amount of \$250,902; and

**WHEREAS**, the City is providing a supplement in the amount of \$32,000, the source of which is the Commonwealth Attorney’s operating budget;

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that the sum of \$218,902 is hereby appropriated in the following manner:

**Revenues**

\$ 54,726	Fund: 209	Cost Center: 1414001000	G/L Account: 430110
\$164,176	Fund: 209	Cost Center: 1414001000	G/L Account: 430120
\$ 32,000	Fund: 209	Cost Center: 1414001000	G/L Account: 498010

**Expenditures**

\$222,214	Fund: 209	Cost Center: 1414001000	G/L Account: 519999
\$ 7,379	Fund: 209	Cost Center: 1414001000	G/L Account: 530100
\$ 21,309	Fund: 209	Cost Center: 1414001000	G/L Account: 599999

**Transfer**

\$ 32,000	Fund: 105	Cost Center: 1401001000	G/L Account: 561209
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**BE IT FURTHER RESOLVED**, that this appropriation is conditioned upon the receipt of \$218,902 from the Virginia Department of Criminal Justice Services.

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CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date: September 18, 2017

Action Required: Approve Appropriation

Presenter: Chris Cullinan, Director of Finance

Staff Contacts: Chris Cullinan, Director of Finance  
Jessica Rice, Risk Management Specialist

**Title: Risk Management Fund Line of Duty Act (LODA)  
Insurance Reimbursement – \$28,200**

**Background:** The City’s insurer, Virginia Municipal League (VML), provided a check in the amount of \$28,200, as reimbursement for the City’s FY 18 out-of-pocket payments to the Virginia Department of Human Resource Management for Line of Duty Act accepted claim benefits. The Virginia Line of Duty Act (LODA), enacted in 1972, provides benefits to family members of public safety employees and volunteers killed or disabled in the line of duty.

**Discussion:** The City has an insurance policy with Virginia Municipal League for coverage of LODA claims and associated benefits as outlined in the Code of Virginia. Currently, the City’s insurance policy is providing coverage for benefits of one accepted claim. Prior to July 1, 2017, the claimant was obtaining medical coverage through the City’s self-funded healthcare program, and VML issued payment directly to the City for that insurance coverage.

Beginning on July 1, 2017, a new law took effect which mandated all LODA benefit recipients to obtain medical insurance from the Commonwealth of Virginia. Additionally, Local Government agencies are now billed directly for the recipient’s medical insurance. The City is issuing \$2,350 to the Virginia Department of Human Resource Management each month to pay for the claimant’s medical insurance. VML has advanced payment for the annual total of the City’s estimated payments to the Commonwealth.

**Community Engagement:** N/A

**Alignment with City Council’s Vision and Strategic Plan:** Approval of this agenda item aligns directly with goal number 5 of the City’s Strategic Plan, to be a well-managed responsive organization, and specifically pertains to 5.1 Integrate effective business practices and strong fiscal policies.

**Budgetary Impact:** Funds appropriated into Charlottesville’s Risk Management operating budget will off-set the cost of mandated payments to Virginia Department of Human Resource Management, and will utilize an insurance policy for which the City pays premiums.

**Recommendation:** Approve appropriation.

**Alternatives:** City Council may choose not to appropriate \$28,200 to the Risk Management Fund which will result in an operating loss for the Fund.

**Attachments:** N/A



**APPROPRIATION**  
**Risk Management Fund Line of Duty Act (LODA) Insurance Reimbursement**  
**\$28,200**

**WHEREAS**, the City's insurer, Virginia Municipal League (VML), provided a check in the amount of \$28,200, as reimbursement for the City's FY 18 out-of-pocket payments to the Virginia Department of Human Resource Management for Line of Duty Act (LODA) accepted claim benefits.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia, that \$28,200 is hereby appropriated in the following manner:

**Revenues - \$28,200**

Fund: 711                      Cost Center: 2061001000                      G/L Account: 451110

**Expenditures - \$28,200**

Fund: 711                      Cost Center: 2061001000                      G/L Account: 530135

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## CITY OF CHARLOTTESVILLE, VIRGINIA CITY COUNCIL AGENDA



Agenda Date:	September 18, 2017
Action Required:	Appropriation
Presenter:	Mike Rogers, Deputy Chief – Operations, Charlottesville Fire Dept.
Staff Contacts:	Mike Rogers, Deputy Chief – Operations, Charlottesville Fire Dept.
<b>Title:</b>	<b>Fiscal Year 2018 Fire Programs Aid to Locality Funding (Firefund) Appropriation - \$145,343</b>

**Background:** The Code of Virginia provides for the collection of an annual levy each fiscal period from the insurance industry. Such levy is collected by the State Corporation Commission, and the amounts collected are then transferred into the Fire Program Fund (Firefund). These aid to locality monies are then distributed to the jurisdictions to supplement the localities funding for fire service based training, training supplies, training equipment, prevention activities, and some response equipment. This is an annual allotment of funding. All usage and any carryovers are reported out to the Department of Fire Programs at the end of the fiscal period before the next fiscal period monies are granted. The City of Charlottesville has been awarded \$145,343 in these funds for FY 2018.

**Discussion:** The Aid to Locality monies are distributed annually to aid departments in their training, prevention, and equipment efforts. While the monies cannot be used to directly/indirectly supplant or replace other locality funds, they help us to provide for additional firefighting training resources, logistics, courses, and equipment as outlined in the Department of Fire Programs Aid to Locality allowable uses chart.

**Alignment with Council Vision Areas and Strategic Plan:** The Aid to Locality/Firefund allocation supports the City’s mission “We provide services that promote equity and an excellent quality of life in our community” by providing supplemental training and equipment funding for fire prevention, firefighting, hazardous materials, and technical rescue. With this additional funding being put towards these purposes we are better able to prepare our responders to deliver emergency services and/or information to the citizens, students, business community members, and guests of the City.

The assistance from this annual funding allotment also aligns with Goal 2.1, Reduce adverse impact from sudden injury and illness and the effects of chronic disease, as well as the elements within Goal 5 - A Well-managed and Responsive Organization.

**Community Engagement:** N/A

**Budgetary Impact:** There is no impact to the General Fund, as these are grant funds. The FY 2018 disbursement is slated to transfer to the City's grant fund in September.

**Recommendation:** Staff recommends approval and appropriation of grant funds.

**Alternatives:** If Aid to Locality funding is not appropriated, the Fire Department will not be able to utilize this supplemental funding to help support its training, prevention, and equipment efforts.

Attachments: N/A

**APPROPRIATION**

**Fiscal Year 2018 Fire Programs Aid to Locality Funding (Firefund) Appropriation  
- \$145,343**

**WHEREAS**, the Virginia Department of Fire Programs has awarded a grant to the Fire Department, through the City of Charlottesville, specifically for fire service applications;

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia, that a total of \$145,343.00 be appropriated in the following manner:

**Revenues - \$145,343**

\$145,343      Fund: 209                      I/O: 1900010                      G/L Account: 430110

**Expenditures - \$145,343**

\$145,343      Fund: 209                      I/O: 1900010                      G/L Account: 599999

**BE IT FURTHER RESOLVED**, that this appropriation is conditioned upon the receipt of \$145,343 from the Virginia Department of Fire Programs.

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CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



Agenda Date:	September 18, 2017
Action Required:	Approval and Appropriation
Presenter:	Kaki Dimock, Director, Human Services
Staff Contacts:	Kaki Dimock, Director, Human Services Leslie Beauregard, Assistant City Manager
<b>Title:</b>	<b>Virginia Homelessness Solutions Grant (VHSP) - \$477,151</b>

**Background:**

The Department of Human Services in coordination with the Thomas Jefferson Area Coalition for the Homeless (“TJACH”) and the Service Provider Council (“SPC”), applied for and received the Virginia Homelessness Solutions Grant (“VHSP”) from the Virginia Department of Housing and Community Development (“DHCD”) for \$477,151.

**Discussion:**

The City of Charlottesville has staff from Human Services, Social Services, and Neighborhood Development Services all taking a leadership role in the governance of TJACH. The VHSP Grant is an important resource in our community’s efforts to end homelessness. The grant provides services in seven key areas.

1. **Rapid Rehousing:** The Haven is the sub-recipient of the VHSP funds for Rapid Re-Housing. Supportive Services will be provided to all recipients of financial subsidies for up to 24 months. A small portion of the rapid re-housing funds will be used to address the needs of women experiencing homelessness as a result of domestic violence. The remainder will be used to serve the most vulnerable households experiencing homelessness based on evidence-based decision-making tools. This category will also fund ¼ of a position for Housing Navigation to supplement the investment made by the local governments during the Agency Budget Review Team (ABRT) process.
2. **Prevention:** The Haven will provide prevention services and subsidies to individuals and families in order to avoid the need for emergency shelter stays. Rental subsidies and utility payments will be provided to those individuals and families determined eligible through the use of a validated, structured decision-making tool. Priority will be given to those households with a previous experience of literal homelessness. The Haven will use a service approach focused on providing the least amount of subsidy necessary to avoid literal homelessness and will make use of all available informal and mainstream resources in this effort. Ongoing eligibility for subsidies will be assessed every 90 days,

at a minimum. Monthly case management will be provided to develop and implement a housing stability plan.

3. **Shelter:** PACEM is the recipient of VHSP funds for shelter. PACEM will continue to provide emergency, low barrier shelter beds during the winter months for the Charlottesville area. With ten years of experience as a DHCD grantee, PACEM offers the community 60 emergency beds (55 ongoing plus 5 thermal triage beds) between late October and early April when the risk of freezing is tangible for those on the streets. Annually, PACEM shelters between 200 and 225 adults. As a last resort, low barrier shelter, PACEM does not screen for substance use, mental health status, or criminal record, and provides shelter to registered sex offenders. The Families in Crisis program in the Albemarle County Public Schools is an additional recipient in this category. The program is meant to ensure the enrollment, attendance, and the success of homeless children and youth in school. In addition, emergency services, referrals for health services, transportation, school supplies, and costs related to obtaining school records may be provided.
4. **Homeless Management Information System (“HMIS”):** The City of Charlottesville as the award recipient will ensure that HMIS data is complete through an agreement with TJACH to have the Executive Director ensure data quality. Our Continuum of Care (“CoC”) has a well-populated database for individuals experiencing homelessness. HMIS collaboration provides real-time monitoring of the needs and progress of individuals and households facing homelessness. Collaborative use of HMIS among TJACH CoC Service Providers expedites communication and reduces the need to interface disparate documentation systems.
5. **Coordinated Assessment process:** TJACH, with service delivery through The Haven, will establish and publicize a daily central intake process for individuals and families in need of prevention, outreach, or shelter services. These assessments will be based on the agreed-upon Coordinated Assessment Packet developed through the Community Case Review which includes required demographic data elements, a vulnerability assessment, and release of information forms. Based on information gathered through the coordinated assessment process, clients will be referred to prevention services, emergency shelter services, housing navigation services, rapid re-housing services or permanent supportive housing resources. TJACH has made a commitment to using best-practice approaches and validated, structured decision-making tools to determine which resources will be most effective for people experiencing homelessness. These tools include the Shinn/Greer brief screener for access to prevention services, the Vulnerability Index for Service Provision and Decision-Making Assessment Tool (VI-SPDAT) for access to rapid re-housing services, and the Community Case Review for collaborative problem-solving when the correct resource is not evident or available.
6. **Continuum of Care Planning:** TJACH will act as the lead agency of homelessness, conducting an annual Point in Time homeless census and submitting an annual Housing Inventory Chart. TJACH will track progress made on the goals of the Community Plan to End Homelessness, revising this plan as directed by the TJACH Governance Board. TJACH will support the operation of the Community Case Review, identifying a convener and anchor agencies willing to work collaboratively on the development of housing stabilization plans for people who have been housed through rapid re-housing



services. TJACH will review sub-contractor invoices, collect documentation, establish monitoring protocols and submit monthly invoices to the City for activities conducted under the VHSP.

7. **Administration:** The City of Charlottesville as the award recipient is eligible for an administrative fee. Staff proposes that we pass these dollars through to TJACH to support the planning efforts of the Coalition.

### **Community Engagement:**

This grant and plan are the product of extensive engagement of the service provider community for persons experiencing homelessness. This partnership is reflective of the new governance model for TJACH and the priority requests of the Interfaith Movement Promoting Action by Congregations Together (IMPACT).

### **Alignment with City Council's Vision and Strategic Plan:**

This grant advances the City of Charlottesville's Strategic Plan goal #1 of "An Inclusive Community of Self-sufficient Residents". Specifically, it will facilitate the objective of increasing affordable housing options. This item primarily aligns with Council's vision for Quality Housing Opportunities for All. Outcomes will demonstrate a coordinated assessment process, individuals and families linked to housing and other resources, and the length of time homelessness was experienced. This grant also fosters the ideals of Community of Mutual Respect and Economic Sustainability by providing services to vulnerable citizens and promoting self-sufficiency.

### **Budgetary Impact:**

This grant will be entirely State, and Federal pass-through funds. No local match is required. There is no budget impact for the City of Charlottesville. All funds will be distributed to sub-recipients for service provision.

### **Recommendation:**

Staff recommends approval and appropriation of grant funds.

### **Alternatives:**

Council may elect to not accept the funds and the community will not have the capacity to administer the following services to persons experiencing homelessness: shelter, prevention funds, rapid rehousing, HMIS, and administration.

### **Attachments:**

Appropriation; Sub Grant agreement and amendment

**APPROPRIATION**  
**Virginia Homelessness Solutions Grant \$477,151**

**WHEREAS**, The City of Charlottesville, through the Department of Human Services, has received the Virginia Homelessness Solutions Grant from the Virginia Department of Housing and Community Development in the amount of \$477,151;

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that the sum of \$477,151 is hereby appropriated in the following manner:

**Revenues**

\$405,225	Fund: 209	IO: 1900290 (VHPS)	G/L: 430110 State Grants
\$ 71,926	Fund: 209	IO: 1900290 (VHSP)	G/L: 430120 Federal Pass-Thru State

**Expenditures**

\$477,151	Fund: 209	IO: 1900290 (VHSP)	G/L: 530550 Contracted Services
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**BE IT FURTHER RESOLVED**, that this appropriation is conditioned upon receipt of \$477,151 in funds from the Virginia Department of Housing and Community Development.

**GRANT AGREEMENT  
 VIRGINIA HOMELESS SOLUTIONS PROGRAM  
 Program Year 2017-2018**

**18-VHSP-008**

This Grant Agreement is made by and between the **Virginia Department of Housing and Community Development (“DHCD”)**, and **City of Charlottesville (“Grantee”)** for the period **July 1, 2017 to June 30, 2018** in the amount of **\$477,151**. Included in the amount is **\$405,225** in state general funds to be expended for shelter operations, prevention/diversion activities, rapid re-housing activities, centralized/coordinated entry, CoC planning, HMIS, and/or administration as indicated in the DHCD approved budget. Also included is **\$71,926** in federal funds to be expended for rapid re-housing and/or administration expenses incurred September 1, 2017 – March 31, 2018. Rapid re-housing activities are to be divided according to the chart below.

<b>Rapid Re-housing</b>	<b>Allocation</b>
State Rapid Re-housing	<b>\$120,222</b>
Federal Rapid Re-housing	<b>\$71,778</b>

The Grantee was identified as part of the community’s emergency response system to homelessness in the 2016-2018 Virginia Homeless Solutions Program (VHSP) application submitted by the lead agency (or designee) of the continuum of care (CoC) or balance of state local planning group (LPG). Activities funded through this grant will be provided at the Grantee location(s) identified in DHCD’s Centralized Application Management System (CAMS).

DHCD administers the Commonwealth of Virginia’s homeless services resources through the VHSP. The Grant, which is the subject of this Agreement, is comprised of state funds through State General Fund appropriations and an allocation from the United States Department of Housing and Urban Development (HUD) authorized under the Emergency Solutions Grant for federal fiscal year 2017; the federal grant number is E17DC510001 and the Catalog of Federal Domestic Assistance (CFDA) number is 14.231. The Grant is subject to the terms, guidelines and regulations set forth in the 2016-2018 Virginia Homeless Solutions Program Guidelines document, any subsequent amendments, the CoC/LPG proposal as amended through negotiations with DHCD, the DHCD approved Grantee budget, HUD regulations 24 CFR Part 576, as amended, which are incorporated by reference as part of this Agreement, the laws of the Commonwealth of Virginia and federal law.

**I. Scope of Services**

The VHSP goals are to assist households experiencing homelessness to quickly regain stability in permanent housing and to prevent households from becoming homeless. This funding will support coordinated community-based activities that are designed to reduce the overall length of homelessness in the community, the number of households becoming homeless, and the overall rate of formerly homeless households returning to homelessness.

VHSP funds may be used for one or more of the following activities as detailed in the VHSP guidelines and must coincide with the VHSP year one request submitted by the CoC/LPG lead agency and approved by DHCD:

- Shelter Operations
- Rapid Re-Housing
- Prevention/Diversion
- Centralized/Coordinated Assessment System
- CoC Planning
- HMIS
- Administration
- HOPWA Assistance (HOPWA activities will be covered by a separate grant agreement)

**II. Conditions**

**A. Service Provision**

The Grantee is responsible for coordination of VHSP activities with other CoC/LPG VHSP Grantees and mainstream resources. The Grantee must assure non-duplication of services with other VHSP Grantees.

**B. Reimbursement**

Funds are disbursed on a reimbursement basis. Grantees must submit remittances in DHCD’s CAMS and be able to provide documentation that the work, services, or cost occurred within the grant period and the expenses were paid appropriately by the Grantee.

Grantees may elect to submit remittances on a monthly or bi-monthly basis. The option selected should be adhered to throughout the year. Supporting documentation must clearly indicate the period for which the reimbursement is requested.

**C. Reporting**

Grantees must submit the following reports:

**Quarterly Reports**

The Grantee must submit quarterly reports no later than the tenth day of the month following the end of the quarter as indicated below:

<b>Report Period</b>	<b>Due Date</b>
July 1, 2017- September 30, 2017	October 10, 2017
October 1, 2017 - December 31, 2017	January 10, 2018
January 1, 2018 – March 31, 2018	April 10, 2018

Grantees are required to submit reports for all three quarters regardless of when grant funds are fully expended. Submission of the quarterly reports implies approval from the executive director and is considered final. DHCD reserves the right to withhold reimbursement payments if the Grantee fails to submit the quarterly reports in accordance with the prescribed schedule.

**Year End Report**

The Grantee must submit a year end report no later than the fifth day of July, 2018.

**D. Continuum of Care Participation**

Grantees must actively participate in the Homeless Management Information System (HMIS) and regional continuum of care or balance of state local planning groups. In addition, Grantees must assure full participation in annual point-in-time and housing inventory counts.

**E. Accounting**

The Grantee must adhere to Generally Accepted Accounting Principles (GAAP). The Grantee shall establish and maintain separate accounts within its existing accounting system or set up accounts independently. The Grantee shall record in its accounting system all grant payments received pursuant to the grant and all other match funds provided for, accruing to, or otherwise received on account of the grant.

All costs charged to the grant shall be supported by properly executed payrolls, timesheets, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, contracts, vouchers, or other accounting documents pertaining in whole or in part to the grant shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the grantee.

**F. DHCD Notification**

Grantee must notify DHCD of any potentially illegal act, such as misuse of grant funds or fair housing violations, immediately upon knowledge of such act. In addition, Grantee must notify DHCD should any other local, federal or state agency uncover evidence of any potentially illegal act. Grantee must notify DHCD if there is a change in agency management and/or fiscal personnel. Failure to do so will constitute a finding and may result in repayment of funds by the Grantee, the de-obligation of current funding and the preclusion of future funding.

**G. Audit**

All grantees, sub-grantees, CHDOs, and sub-recipients, localities, developers, or any other organizations that receive funding during a specific program year are required to submit one of the following financial documents: Financial Statement\*\*, Reviewed Financial Statement prepared by an independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an independent CPA or an OMB A-133 Audit (Single Audit) prepared by an independent CPA. Please see the table below to determine which document your organization is required to submit.

The threshold requirements outlined below are the minimal standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

<b>Threshold Requirement</b>	<b>Document</b>
Total annual expenditures ≤\$100,000 – regardless of source	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 – regardless of source	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000 – regardless of source	Audited Financial Statement prepared by an Independent CPA
Federal expenditures ≥\$750,000	OMB A-133 Audit (Single Audit) prepared by an Independent CPA

\*\*Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and OMB A-133 Audit only) -whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:  
[http://www.dhcd.virginia.gov/images/DHCD/DHCD\\_Audit\\_Policy.pdf](http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf).

**H. Compliance**

Grantees with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues are not eligible to receive allocations. DHCD will work with all interested parties toward the resolution of unresolved matters, where appropriate.

**I. Maintenance of Records**

Records shall be readily accessible to DHCD, appropriate state and federal agencies, and the general public during the course of the grant agreement and shall remain intact and accessible for five years thereafter. The exception is in the event that any litigation claim or audit is started before expiration of the five year period, the records shall be retained until such action is resolved.

**J. Costs Incurred Prior To Grant Agreement Execution**

No costs incurred prior to the start of the contract period shall be eligible for reimbursement with grant funds, unless incurred costs are authorized in writing by DHCD.

**K. Expenditure Review**

DHCD will monitor expenditure rates to ensure state resources are maximized. Failure to expend funds proportionately throughout the contract period may result in the de-obligation of funds. DHCD reserves the right to de-obligate funds at any time during the contract period and reallocate as deemed appropriate within the CoC/LPG or statewide based on compliance, performance, need, and available funding.

**L. Termination, Suspension, Conditions**

If through any cause, the Grantee fails to comply with the terms, conditions or requirements of the contract documents, DHCD may terminate or suspend this Agreement by giving written notice of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

In the case of contract violation by the Grantee, DHCD may request that all or some of the grant funds be returned, even if the Grantee has already expended the funds. The Grantee agrees to return such funds as requested by DHCD within 30 days of the written request.

**M. Subsequent Contracts**

The Grantee shall remain fully obligated under the provisions of the Grant Agreement notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the activities for which the Grant assistance is being provided to the Grantee.

The Grantee agrees to ensure that any contractor or subcontractor who is not the Grantee shall comply with all the lawful requirements of the Grantee necessary to ensure that the project for which this assistance is being provided under this Agreement are carried out in accordance with the Grantee's Assurances and Certifications.

**N. Default**

A default is any unapproved use of grant funds. Upon due notice to the Grantee of the occurrence of any such default and the provision of a reasonable opportunity to respond, DHCD may take one or more of the following actions:

- (1) direct the Grantee to submit progress schedules for completing approved activities;
- (2) issue a letter of warning advising the Grantee of the default, establishing a date by which corrective actions must be completed and putting the Grantee on notice that more serious actions will be taken if the default is not corrected or is repeated;
- (3) direct the Grantee to suspend, discontinue or not incur costs for the affected activity;
- (4) require the Grantee to reimburse DHCD for costs inappropriately charged to the program;
- (5) other appropriate action including , but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions and any other available remedies.

No delay or omissions by DHCD in exercising any right or remedy available to it under the Agreement shall impair any such right to remedy or constitute a waiver or acquiescence in any Grantee default.

**O. Conflict of Interest**

Grantees shall ensure that the provision of any type or amount of assistance may not be conditional on an individual's or family's acceptance or occupancy of housing owned by the grantee, the sub-grantee, a parent organization, or subsidiary. Grantees/sub-grantees, parent organizations, or subsidiaries may not administer rapid re-housing or prevention assistance and use the assistance for households residing in units owned by the grantee/sub-grantee, parent organization, or subsidiary.

Individuals (employees, agents, consultants, officers, or elected or appointed officials of the grantee or sub-grantee) may not both participate in decision-making related to determining eligibility and receive any financial benefit. This financial benefit may not be received by the specific individual, any member of his/her immediate family or a business interest. The restriction applies throughout tenure in the position and for a one-year period following tenure.

**P. Religious Influence**

The Grantee shall perform activities and all financial and stabilization services in a manner that is free from religious influence.

**III. Additional Assurances**

- A.** Grantee will give the DHCD, the Comptroller, HUD and any other authorized state or federal representatives access to and the right to examine all records, books, papers, or documents related to the Grant.
- B.** In accordance with federal law, grantee will provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin, in any phases of employment or in any phase of service delivery.

**IV. Additional Certifications:**

The Grantee certifies that it will comply with the following:

- (a) Freedom of Information Act (5 U.S.C 552) and Virginia Freedom of Information Act;
- (b) Virginia Fair Employment Contracting Act;
- (c) Fair Housing Act (42 U.S.C. 3601-20), and implementing measures under:
  - 24 CFR 100 (discriminatory conduct under Fair Housing Act);
  - Executive Order 11063 and regulations at 24 CFR 107 (preventing discrimination on basis of race, color, creed, or national origin);



- 24 CFR Part 8 (prohibiting discrimination against handicapped individuals);
- Title VIII of Civil Rights Act of 1968 as amended (prohibiting discrimination based on race, color, national origin, religion, sex, familial status [including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18], and disability)

(e) Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at:

- 24 CFR 146 (nondiscrimination on basis of age in HUD programs);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794);

(f) 24 CFR 574.320 (Federal rent standards for rental assistance, requiring rents to be charged no greater than appropriate Fair Market Rent levels);

(g) 24 CFR Part 35 (Federal lead-based paint provisions, requiring visual inspections and stabilization of paint before commencement of occupancy);

(h) Adhere to Executive Orders 11625, 12432, and 12138, that Grantee must make efforts to encourage participation of minority and women-owned business enterprises in connection with funded activities;

- Encourage participation of locally-owned enterprises in connection with funded activities;

(i) McKinney-Vento Homeless Assistance Program Regulations;

(j) Anti-lobbying Certification;

(k) Drug Free Workplace.

If requested by DHCD:

1. A Grantee that is a unit of local government agrees to assume the status of a responsible Federal official under the National Environmental Policy Act (NEPA) of 1969 and other provisions of Federal law as specified at 24 CFR 58 and 58.5 and agrees to comply with these NEPA regulations.
2. All Grantees that are not units of local government agree to assist DHCD in carrying out 24 CFR 58 and 58.5.

The Agreement is hereby executed by the parties on the date set forth below their respective signatures as follows:

**Virginia Department of Housing and Community Development**

**Pamela G Kestner**

Digitally signed by Pamela G Kestner  
DN: cn=Pamela G Kestner, o=Department of Housing and Community  
Development, ou=Housing Division, email=pamela.kestner@dchcd.virginia.gov,  
c=US  
Date: 2017.07.01 13:53:10 -0400

Pamela G. Kestner, Deputy Director

July 1, 2017

Date

**City of Charlottesville**



Signature

Michael C. Murphy

Name (printed or typed)

Assistant City Manager

Title

7/24/17

Date

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



<b>Agenda Date:</b>	September 18, 2017
<b>Action Required:</b>	vote on resolution
<b>Staff Contact:</b>	Leslie Beauregard, Assistant City Manager Maurice Jones, City Manager
<b>Presenter:</b>	Nathan Moore, WTJU General Manager
<b>Title:</b>	WTJU Sponsor Request – City Sponsorship of the Black Business Expo on Saturday, September 23, 2017 - \$2,000

**Background:**

WTJU is seeking the City’s sponsorship and support for a Black Business Expo on Saturday, September 23, 2017. This even is being organized by Lifeview Marketing and WTJU Radio, with promotional support from the Chamber of Commerce’s Business Diversity Council. With this request for sponsorship, WTJU is seeking \$2,000 from the City to help fund the costs of this free community event.

**Discussion:**

The Black Business Expo serves to support and celebrate black-owned businesses in Charlottesville and Albemarle County. This Expo is an initiative that is consistent with the City’s desire to support racial equity in economic opportunity. Black-owned businesses are important to the local Charlottesville economy, and supporting these businesses serves the interest of our entire business community. The Expo is free and open to the public, and will take place at the IX Art Park. The event will support black-owned businesses with a series of workshops on financing, marketing, and working with major buyer procurement.

The event will also include opportunities for networking, promotions to the general public, and fun, closing with a live concert by reggae artist Mighty Joshua. Several dozen business owners will attend the workshops & networking portion of the Expo (2-5 p.m.), while many hundreds of people will attend the public event and concert that evening.

**Community Engagement:**

N/A

**Alignment with City Council’s Vision and Strategic Plan:**

Goal 1 speaks to a resilient community of self-sufficient residents and Goal 3 focused on a strong and diversified economy, of which this request would support.

**Recommendation:**

Staff has prepared a resolution that allocates \$2,000 from Council's Strategic Initiative Account should Council choose to fund this request. No new money is required since this is coming from already appropriated funds.

**Budgetary Impact:**

Staff is recommending this come from Council's Strategic Initiatives Account. There is a current available balance of \$297,291 in this account.

**Alternatives:**

See recommendation.

**Attachments:**

Letter of request from Nathan Moore, WTJU General Manager

**RESOLUTION**  
**WTJU Sponsor Request – City Sponsorship of the Black Business Expo on**  
**Saturday, September 23, 2017**  
**\$2,000**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Charlottesville, Virginia that the sum of \$2,000 is hereby paid from currently appropriated funds in the Council Strategic Initiatives account in the General Fund to WTJU in support of the Black Business Expo taking place on September 23, 2017.

\$2,000

Fund: 105

Cost Center: 10110010000



**WTJU Radio**  
University of Virginia  
PO Box 400811  
Charlottesville, VA 22904-4811  
**434-924-0885**  
wtju.net

September 3, 2017

Dear Charlottesville City Council members and city staff,

I am writing to seek the City's sponsorship and support for a Black Business Expo on Saturday, September 23, which is being organized by Lifeview Marketing and WTJU Radio, with promotional support from the Chamber of Commerce's Business Diversity Council.

With this request for sponsorship, I am seeking \$2,000 from the City to help fund the costs of this free community event.

The Black Business Expo serves to support and celebrate black-owned businesses in Charlottesville and Albemarle County. This Expo is an initiative that is consistent with the City's desire to support racial equity in economic opportunity. Black-owned businesses are important to the local Charlottesville economy, and supporting these businesses serves the interest of our entire business community.

The Expo is free and open to the public, and will take place at the IX Art Park. The event will support black-owned businesses with a series of workshops on financing, marketing, and working with major buyer procurement. (We are already in touch with the City's Office of Economic Development regarding the latter.) The event will also include opportunities for networking, promotions to the general public, and fun, closing with a live concert by reggae artist Mighty Joshua. Several dozen business owners will attend the workshops & networking portion of the Expo (2-5 p.m.), while many hundreds of people will attend the public event and concert that evening.

On the next two pages, please find an expenses budget for this free event attached, as well as a flyer promoting the event to business owners.

I thank you very much for your consideration. I would welcome the opportunity to answer any questions you might have via email, phone, or in person.

Sincerely,

A handwritten signature in black ink that reads 'Nathan Moore'.

Nathan Moore  
WTJU General Manager  
434-249-7564 (cell)  
nbm9he@virginia.edu

<b>Black Business Expo 2017 - Budget</b>	<b>Cash cost</b>	<b>In-kind donation</b>
Event director & promoter	\$1,000	
Marketing & printing	\$400	
Tents and supplies	\$2,000	
Food & refreshments	\$200	
Lifeview Marketing staff (in-kind)		\$1,000
WTJU staff (in-kind)		\$800
IX Art Park space rental (in-kind)		\$500
<b>TOTALS</b>	<b>\$3,600</b>	<b>\$2,300</b>
<b>TOTAL CASH + IN-KIND</b>	<b>\$5,900</b>	

Supporting & Celebrating Black Businesses

CHARLOTTESVILLE  
& ALBEMARLE

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# BLACK BUSINESS EXPO

**LEARN** from FREE  
business workshops:

- *Financing Your Vision*
- *Selling to Major Buyers*
- *The Art of Marketing*

**CONNECT** with buyers,  
other business owners,  
and the public

**ENJOY** an afternoon  
at the IX Art Park,  
featuring live reggae  
by **MIGHTY JOSHUA**

**SATURDAY, SEPT 23, 2017**  
**2-7 PM | IX ART PARK**

**FREE & OPEN TO THE PUBLIC**

Workshops & networking: 2-5 PM | Public Expo Booths: 5-7PM  
Live concert with reggae artist **MIGHTY JOSHUA**: 5-9 PM

CALL NOW TO REGISTER AND RESERVE A BOOTH SPACE:  
**434.825.0650 | [BlackBizExpo@virginia.edu](mailto:BlackBizExpo@virginia.edu)**

Sponsored by Lifeview Marketing, LLC and WTJU 91.1 FM



CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA.



Agenda Date:	September 18, 2017
Action Required:	Adoption of Resolution
Presenter:	Mike Mollica, Division Manager, Facilities Development
Staff Contacts:	Mike Mollica, Division Manager, Facilities Development Ryan Davidson, Senior Budget & Management Analyst, Budget and Performance Management
Title:	<b>Fund Transfer to Facilities Capital Projects Lump Sum Account for the Preston-Morris Building Interior Improvements Project - \$37,000</b>

**Background:** The City of Charlottesville’s Facilities Development Division is overseeing the Preston-Morris Building Interior Improvements Project – which includes an up-fit of the recently enclosed lower level, walk-out basement space. In early September, we will initiate the design phase of this project. The up-fit is being funded by the Facilities Capital Projects Lump Sum Account (C.P.-018) with an estimated budget of \$75,000. It should be noted that Albemarle County is our 50% funding partner on this project, as this property is jointly owned by the City and County.

**Discussion:** This request is to consolidate funds into one project account per City policy #200-09, which requires all phases of a project to use the same account from start to finish. This request would transfer \$37,000 from the Facilities Repair Lump Sum Account (F.R.-001), which was intended for a smaller improvement project (paint, carpet, lighting, limited main level corridor improvements, etc.), into the Facilities Capital Projects Lump Sum Account (C.P.-018) up-fit project. This would allow the project scopes to be combined and bid as one package, with a total project budget of approximately \$112,000. In addition to the efficiencies associated with managing one construction project, versus two, we believe that the consolidated project will realize a more competitive bidding environment.

**Alignment with Council Vision Areas and Strategic Plan:** This project supports City Council’s “Smart, Citizen-Focus Government” vision. It contributes to Goal 5 of the Strategic Plan, to “be a well-managed and responsive organization,” and objective 5.1, to “integrate effective business practices and strong fiscal policies.”

**Community Engagement:** N/A

**Budgetary Impact:** The funds to be transferred and consolidated were all previously appropriated by City Council.

**Recommendation:** Staff recommends approval of this resolution.

**RESOLUTION**

**Fund Transfer to Facilities Capital Projects Lump Sum Account for the Preston-Morris  
Building Interior Improvements Project - \$37,000**

**NOW, THEREFORE BE IT RESOLVED** by the Council of the City of  
Charlottesville, Virginia that the following is hereby transferred in the following manner:

**Transfer From**

\$37,000	Fund: 107	WBS: FR-001	G/L Account: 561426
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**Transfer To**

\$37,000	Fund: 426	WBS: CP-018 (P-00948)	G/L Account: 599999
\$37,000	Fund: 426	WBS: CP-018 (P-00948)	G/L Account: 498010

CITY OF CHARLOTTESVILLE  
CITY COUNCIL AGENDA



Agenda Date:	September 5, 2017
Action Required:	Yes (First Reading of Ordinance)
Presenter:	Lauren Hildebrand, Director of Utilities
Staff Contacts:	Craig Brown, City Attorney Lauren Hildebrand, Director of Utilities
Title:	<b>Release of a Portion of a Gas Line Easement: Shops At Stonefield</b>

**Background:** In January of 2015, the City acquired a natural gas line easement across property designated as Albemarle County Tax Map Parcel 61A-3-19A, located in the Shops at Stonefield shopping center. The building at 3924 Lenox Avenue in the Stonefield shopping center encroaches into the easement and the property owner has requested release of a portion of the easement. At the request of the Utilities Department, an ordinance releasing a portion of the 2015 easement, a deed of release, and the plat depicting its location have been prepared.

**Discussion:** The easement to be partially released was granted to the City in 2015, but no gas lines have ever been installed in the easement area. The Department of Utilities has no objection to the release of this small portion of the easement in order to cure the encroachment.

**Alignment with Council Vision Areas and Strategic Plan:** Not applicable.

**Community Engagement:** A public hearing is required by law to give the public an opportunity to comment on the proposed conveyance of a property interest. Notice of such public hearing was advertised in the local newspaper at least 7 days in advance of the public hearing.

**Budgetary Impact:** None.

**Recommendation:** Staff recommends approval of the ordinance releasing a portion of the existing gas easement.

**Attachments:** Request Letter; Ordinance and Deed of Release of Easement (with plat attached).

June 20, 2017

VIA: Email & Regular Mail

City Attorney's Office  
City of Charlottesville  
P.O. Box 911  
605 E. Main Street  
Charlottesville, VA 22902  
Attn: Barbara Ronan

Dear Ms. Ronan:

I represent OCT Stonefield Property Owner LLC, a Delaware limited liability company ("Owner"), which is the owner of the real property shown and delineated as "New Parcel 1" ("Property") on that certain plat entitled "Plat Showing Boundary Line Adjustment of Stonefield Parcel 1 and Parcel 2 Both Owned by Albemarle Place EAAP, LLC Jack Jouett Magisterial District Albemarle County, Virginia" dated December 9, 2013, recorded May 13, 2014, in the Clerk's Office of the Circuit Court for Albemarle County, Virginia (the "Clerk's Office") in Deed Book 4489, Page 6, having acquired the Property by a deed recorded in the Clerk's Office in Deed Book 4857, Page 503. The prior owner of the Property, Albemarle Place EAAP, LLC, previously granted a permanent natural gas line easement to the City of Charlottesville ("City") under that certain Deed of Easement dated as of January 8, 2015, recorded in Deed Book 4576, Page 428, in the Clerk's Office (the "Easement"). A portion of the Easement encroaches under a building constructed on the Property.

Owner requests that the City vacate that portion of the Easement that encroaches on the building, as shown and labeled (as hatched) as "15' Gas Line Easement Created on Parcel 1 with DB 4576, Page 428 To Be Vacated at Face of Wall" on the sketch enclosed herewith, so that the Easement ends at the face of the wall of the building.

Please contact me at the number above with any questions or if you need additional information.

Very truly yours,

  
David L. Theyssen

DLT:jb  
Enclosure

26165738.1



**AN ORDINANCE  
AUTHORIZING THE RELEASE OF  
A PORTION OF A NATURAL GAS EASEMENT GRANTED TO THE CITY BY  
OCT STONEFIELD PROPERTY OWNER, LLC**

**WHEREAS**, OCT Stonefield Property Owner, LLC is the current owner of property located at 3924 Lenox Avenue in The Shops at Stonefield shopping center in the County of Albemarle, and

**WHEREAS**, OCT Stonefield Property Owner, LLC has requested release of a portion of the permanent natural gas easement granted to the City by deed dated January 8, 2015, of record in the Albemarle County Circuit Court Clerk's Office in Deed Book 4576, page 428, in order to cure an existing encroachment of their building into the easement area, as shown on a plat made by W/W Associates, dated March 15, 2017; and

**WHEREAS**, the Director of Utilities has reviewed the request and determined that the City has no objection to releasing said portion of the above described easement; and

**WHEREAS**, in accordance with Virginia Code Sec. 15.2-1800(B), a public hearing was held to give the public an opportunity to comment on the partial release of this easement; now, therefore,

**BE IT ORDAINED** by the Council of the City of Charlottesville, Virginia that the Mayor is hereby authorized to execute a Deed of Release of Easement, in form approved by the City Attorney, to release a portion of the above-described natural gas easement.

*Prepared by S. Craig Brown, Esq. (VSB #19286)  
Charlottesville City Attorney's Office, P.O. Box 911, Charlottesville, VA 22902*

*Albemarle Tax Map 061W0-03-00-019A0 (Shops at Stonefield)*

This deed is exempt from state recordation taxes imposed by Virginia Code §58.1-802 pursuant to Virginia Code §58.1-811(C)(4).

**THIS DEED OF PARTIAL RELEASE OF EASEMENT**, made and entered into this \_\_\_\_\_ day of September, 2017, by and between the **CITY OF CHARLOTTESVILLE, VIRGINIA**, a municipal corporation, Grantor, hereinafter “City”, and **OCT STONEFIELD PROPERTY OWNER, LLC**, “Grantee”, whose address is 240 Royal Palm Way, Suite 201 Palm Beach, FL, 33480.

**WITNESSETH:**

THAT FOR AND IN CONSIDERATION of the sum of ONE DOLLAR (\$1.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the City hereby VACATES, ABANDONS, QUITCLAIMS and EXTINGUISHES all right, title and interest to a portion of the natural gas easement acquired by the City by Deed of Easement dated January 8, 2015, of record in the Clerk’s Office for the Albemarle County Circuit Court in Deed Book 4576, page 428. The vacated easement area is located on property owned by Grantee near Blackbird Lane in Albemarle County, and shown as a cross-hatched area labeled “15’ Gas Line Easement Created on Parcel 1 with DB 4576 PG 428 To Be Vacated At Face of Wall (Hatched Area – 358.5 SF)” on the attached plat dated March 15, 2017 made by W/W Associates.

WITNESS the following signature and seal.

**CITY OF CHARLOTTESVILLE, VIRGINIA**

By: \_\_\_\_\_  
A. Michael Signer, Mayor

STATE OF VIRGINIA  
City of Charlottesville

The foregoing instrument was acknowledged before me, a Notary Public in and for the aforesaid City and State, by A. Michael Signer, Mayor of the City of Charlottesville, on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Registration #: \_\_\_\_\_

TMP 61W-3-19B  
 PARCEL 2  
 COSTCO WHOLESALE CORPORATION  
 DB 4492 PG 1

STONERIDGE AVENUE (PRIVATE)

BUILDING G4  
 3918 LENOX AVE

TMP 61W-3-19A  
 PARCEL 1 (BLOCK G)  
 OCT STONEFIELD PROPERTY OWNER, LLC  
 DB 4857 PG 503-511

BUILDING G2  
 3924 LENOX AVE  
 (BJ's Restaurant  
 & Brewhouse)

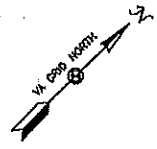
EXISTING 25' BUFFER  
 DB 4030 PG 335

EXISTING 15' GAS  
 LINE EASEMENT  
 DB 4576 PG 428

15' GAS LINE EASEMENT  
 CREATED ON PARCEL 1  
 WITH DB 4576 PG 428  
 TO BE VACATED  
 AT FACE OF WALL  
 (HATCHED AREA=358.5 SF)

TMP 61W-3-19  
 NORTHROP GRUMMAN  
 DB 909 PG 448  
 DB 2715 PG 434

M:\213118 Edens - Stonefield Block G\213118.05 Dry Util Esmt Plats\311805C\_CVILLE GAS.dwg \Vacate



US RTE 29 (SEMINOLE TRAIL)  
 SOUTH BOUND LANES

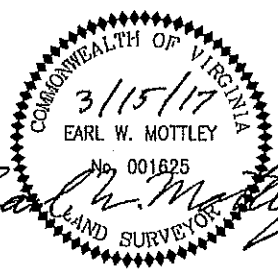


EXHIBIT SHOWING VACATION OF A PORTION  
 OF GAS LINE EASEMENT ON  
**THE SHOPS AT STONEFIELD**  
 OVER THE LANDS OF  
**OCT STONEFIELD PROPERTY OWNER, LLC**  
 (PREVIOUSLY OWNED BY ALBEMARLE PLACE EAAP, LLC)  
 JACK JOUETT MAGISTERIAL DISTRICT  
 ALBEMARLE COUNTY, VIRGINIA

**W W ASSOCIATES**  
 ENGINEERS  
 SURVEYORS  
 PLANNERS

PO Box 4119 3640 Avenue Sq Place  
 Lynchburg, VA 24502 Charlottesville, VA 22911  
 Phone: 434.316.6080 Phone: 434.984.2700  
 www.wwaassociates.net

SCALE: 1"=50'	DRAWN BY: DSB	SHEET: 1 of 1	WWA NUMBER: 213118.17
DATE: 3/15/2017			



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



<b>Agenda Date:</b>	September 18, 2017
<b>Action Requested:</b>	Vote on resolution
<b>Presenter:</b>	Councilor Kristin Szakos
<b>Title:</b>	<b>Resolution in Support of Deferred Action for Childhood Arrivals (DACA) and Permanent Legal Status for Dreamers</b>

**Background:**

Councilor Kristin Szakos requested a resolution in support of Deferred Action for Childhood Arrivals (DACA) for vote by the Council.

**Attachments:**

Proposed resolution

**RESOLUTION**  
**IN SUPPORT OF CONTINUATION OF THE DEFERRED ACTION FOR CHILDHOOD**  
**ARRIVALS (DACA) AND PERMANENT LEGAL STATUS FOR DREAMERS**

WHEREAS, Charlottesville is officially recognized as a “Welcoming City” and is a city of dreamers where people from all walks of life and from all backgrounds can bring and build their dreams; and

WHEREAS, dreamers are integral to the fabric of our community; they are teachers, nurses, artists, scientists, valedictorians, members of our armed forces, and have actively contributed to our City economically, socially and culturally; and

WHEREAS, Deferred Action for Childhood Arrivals (DACA) provides employment authorization and protection from deportation for undocumented immigrants who entered the United States before they turned 16 and has benefitted nearly 800,000 undocumented youth across the nation since it began in 2012; and

WHEREAS, in order to make the provisions of DACA permanent, Congress has introduced but not passed the DREAM (Development, Relief, and Education for Alien Minors) Act; and

WHEREAS, ending the DACA program would leave 800,000 young people who now call this nation home unsure of their legal status and would lead to the loss of an estimated \$1 billion in tax contributions over the next four years and \$3.4 billion from the U.S. gross domestic product (GDP) over the next decade; and

WHEREAS, the federal Administration’s intention to end the DACA program causes uncertainty and fear that endangers the future of these young people who have come forward and entrusted the government with their information; and

WHEREAS, the ability of youth to live and work in their communities without fear of deportation is a foundation of sound, responsible immigration policy and enables these young people to participate in and contribute to our City;

NOW THEREFORE BE IT RESOLVED, that we, the Charlottesville City Council, do hereby call on all governmental, business and nonprofit agencies and institutions in Charlottesville and surrounding localities to join together to urge Congress and the President to demonstrate commitment to the American economy and the ideals of our nation by continuing DACA to ensure protection for these young people until Congress has implemented a more permanent form of relief, as well as work to permanently address the legal status of Dreamers in such a way as to allow them a path to permanent United States citizenship.

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



<b>Agenda Date:</b>	September 18, 2017
<b>Action Required:</b>	Public Hearing and Approval
<b>Staff Contacts:</b>	Tierra Howard, Grants Coordinator
<b>Presenter:</b>	Tierra Howard, Grants Coordinator
<b>Title:</b>	Review of Program Performance and Setting Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds for Program Year 18-19 (Public Hearing)

**Background:**

This public hearing is intended to serve as a forum for public comment on the Fiscal Year (FY) 16 Consolidated Annual Performance Evaluation Report (CAPER) and to aid City Council and staff in gathering information about the City's needs. Goals and priorities determined as a result of this public hearing will be the framework for funding recommendations made by the CDBG Task Force for funding available after July 2018. Based on current projections, the City can expect CDBG funding amounts similar to or less than that received in FY 17 or about \$388,000. The City can expect HOME funding to be similar or less than that received in FY 17 which is about \$57,000 and \$457,000 for the HOME consortium.

**Discussion**

**FY 16-17 PROGRAM PERFORMANCE HIGHLIGHTS**

In FY 16, CDBG projects benefited 167 people. Projects included technical assistance for microenterprises and entrepreneurs, re-entry services, childcare scholarships, enhanced access to quality childcare, and workforce development programs. For economic development projects, it is important to note that businesses will have successes and growth far after FY 16. Some infrastructure improvements have been completed within the 10<sup>th</sup> & Page neighborhood; however, project outcomes cannot be reported until the project activities are fully complete. Of the 167 beneficiaries, 68% were extremely low-income, 25% were low-income, seven percent were moderate income, and 81% were minorities. The table below outlines the activities, goals, and outcomes for FY 16. Please note that overall, CDBG accomplishments for the past four years have far exceeded the strategic plan goals from the 2013-2017 Consolidated Plan.

<b>CDBG Activities - Program Year 2016</b>		<b>Goal</b>	<b>Actual</b>
Support Job Improvement			
Public service activities	Persons Assisted	180	138
Businesses assisted	Businesses Assisted	35	31
Support Homeless and Transition to Independence			
Public service activities	Persons Assisted	150	75
Conduct Training Sessions (Job training and technical assistance for microenterprises)			
Public service activities	Persons Assisted	7	8
Businesses assisted	Businesses Assisted	35	31

Support Job Improvement TOTAL		215	167
Support Homeless and Transition to Independence TOTAL		150	75
Conduct Training Sessions TOTAL		42	39

For FY 16, 29 HOME projects were completed: 1 rental project consisting of 1 unit; 12 homebuyer projects, and 16 homeowner rehabilitation projects, for a total of 29 units. Of the 29 beneficiaries, 21% were extremely low-income and 79% were low-income, and 72% were minorities. The table below outlines the activities, goals, and outcomes for the FY 16 HOME program.

<b>City of Charlottesville HOME Activities - Program Year 2016</b>		
Provide Down payment Assistance to 4 families through Piedmont Housing Alliance and Habitat for Humanity.	4	10
Rehabilitate 6 owner-occupied homes	6	7
Rental	0	1
<b>TOTAL</b>	10	18
<b>HOME Activities - Program Year 2016</b>		
First-Time Homebuyer Assistance	3	12
Homeowner Rehab for Substandard Houses	21	16
Development of Rental Units	4	1
<b>TOTAL</b>	<b>28</b>	<b>29</b>

Through CDBG, HOME, and local housing programs, much has been done over the last fiscal year to maintain and grow affordable housing across the HOME Consortium. The full FY 16 CAPER Draft Report can be found on the City's website by clicking [here](#).

FY 2018-2019 is the fifth year of the five year Consolidated Plan (FY 2013 – 2018) which was approved in May 2013. The Consolidated Plan sets forth plans for CDBG and HOME funding. This document provides information to encourage communities to look at housing and

community development comprehensively, so that projects undertaken have a good fit with the community's needs. The next Consolidated Plan is due for submission in May 2018.

## **SETTING PRIORITIES FOR FY 18-19**

**Current Year's Plan:** The priorities set by Council for FY 17, as determined at the September 19, 2016 public hearing, were workforce development, microenterprise assistance, access to quality childcare, down payment assistance, and homeowner rehab. For FY 17, 20% of the CDBG entitlement was allocated to Administration and Planning, which pays for the Grants Coordinator position and other grant support fees, and 15% of the balance was devoted to public services activities. The remaining funds were set-aside for economic development projects and for the 10<sup>th</sup> & Page Priority Neighborhood. The current fiscal year's adopted budget is attached to show how funding has been allocated to the different funding categories.

Following the public hearing, staff is asking Council to make the following decisions:

- 1. Set priorities for CDBG & HOME Programs** – Council is asked to determine what its priorities are for FY 18-19. Having specific priorities helps the CDBG Task Force ensure that the diminishing funds are targeted towards projects that meet the goals of Council, the Consolidated Plan and the Growing Opportunities Report. The high priority needs identified in the Consolidated Plan include: risk of homelessness, lack of jobs that pay a sufficient wage, rental cost-burden, lack of training needed by employers, high cost home purchase, transportation access barriers, housing options for special needs, lack of childcare options, and lack of shelter for homeless. An emphasis on workforce development, access to quality childcare, microenterprise assistance, homeowner rehab and down payment assistance helps meet these goals and needs and are consistent with Council goals, the Consolidated Plan, and the Growing Opportunities Report.
- 2. Confirm Priority Neighborhood** - Last year, Council designated 10<sup>th</sup> & Page as the Priority Neighborhood for FY 17-18 and approved Ridge Street and Belmont as the Priority Neighborhood for the upcoming 3-year cycle with funds being targeted in income eligible service areas. Ridge Street and Belmont are located within the Strategic Investment Area (SIA). Historically, Priority Neighborhoods receive three fiscal years of funding. In the past, priority neighborhood funds were set at \$200,000, however, reduced entitlement amounts would make this amount more than 50% of the anticipated budget. Last year, the Priority Neighborhood budget was set at 73% of the total entitlement amount or about \$288,000.31. As a result of program income received and reprogramming of funds from closed projects, about \$40,000 was applied to the Priority Neighborhood this fiscal year.

Council normally names only one Priority Neighborhood at a time. In order to ensure plenty of time for citizen engagement and coordination with the various City committees, staff will need to confirm if Council would like to move forward with the previously designated Priority Neighborhood, choose to not designate a Priority Neighborhood, or change the Priority Neighborhood.

3. **Determine if CDBG funds should be set aside for Economic Development** – Last year, Council set aside 9% of the entitlement amount to Economic Development activities or about \$45,000; however, only \$12,500 in eligible projects was funded for funding. These funds are used to help qualified entrepreneurs start businesses as well as help existing businesses improve their capacity and increase profit.
4. **Determine the percentage for Public Service Projects** – The maximum amount of the budget that can be allocated towards Public Service Programs is 15% as determined by the Department of Housing and Urban Development (HUD). Council can decide to keep allocation at 15% or designate a lower percentage. The current budget for Public Service projects is about \$58,200.
5. **Administration and Planning** – This amount is capped by HUD at 20% of the total CDBG budget. The current budget for admin and planning is just over \$77,600.
6. **Additional Guidelines** - Any other guidelines or directions Council may wish to give in determining how CDBG and HOME funds should be spent.

### **Community Engagement:**

The CDBG Task Force will meet over the winter to review Housing and Public Service projects and make recommendations for funding to Council in spring 2018. The City's Strategic Action Team will review Economic Development applications. A 10<sup>th</sup> and Page Priority Neighborhood Task Force was formed and made recommendations that could use all funding available. Notice of the public hearing for the initial recommendations and notice of a public comment period for the CAPER was advertised in the newspaper. The public comment period for the CAPER is open from September 1<sup>st</sup> to September 15<sup>th</sup>.

### **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 have the potential to many all 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.

### **Budgetary Impact:**

HOME funds will require a 25% local match. In previous years, this match came from the Charlottesville Affordable Housing Fund. There is no impact to the general fund regarding CDBG funds.

### **Recommendations:**

Staff Recommends:

- Council move forward with priorities similar to the priorities outlined last year.

- Approving the 15% maximum allocation allowed for Public Service Projects and approving the 20% maximum allocation allowed for Admin and Planning.
- Public Service funds remain citywide, but that non-profit partners are made aware of the Strategic Investment Area and encouraged to recruit beneficiaries from that area.
- \$45,000 be set aside for Economic Development Activities.
- The remaining estimated CDBG budget, \$200,000, goes towards Priority Neighborhood funding.
- Belmont and Ridge Street are the next Priority Neighborhood in the rotation, as approved previously by City Council.
- Any Public Service, Housing or Economic Development activity must meet the goals and recommendations of the Growing Opportunities report in addition to the Consolidated Plan.
- For HOME funds, if there is any program income or reprogramming available, those funds go towards housing activities to support down payment assistance and homeowner rehab.

### **Alternatives:**

Alternatives include funding the Priority Neighborhood, Economic Development, Public Service, and Housing programs at different percentages or restricting beneficiaries to specific areas of the City. Specifically, Council could choose to fund the Priority Neighborhood at less than the recommended \$200,000. This would allow more funding available for Economic Development and housing projects.

### **Attachments:**

Proposed Budget

Resolution

Current Budget

Eligible CDBG and HOME Activities – click [here](#) to view list

CDBG Priority Neighborhoods Map – click [here](#) to view map

**Proposed FY 18-19 CDBG & HOME Budget**

	FY 17-18 Funding	FY 18-19 Funding
Priority Neighborhood	\$282,000.31	\$200,000 (or remaining EN available)
Economic Development	\$45,000	\$45,000
Public Service	15% EN	15% EN
Admin	20% EN	20% EN
Housing	\$0	\$0
CDBG Entitlement (EN)	\$388,048	\$388,000
HOME Entitlement (plus match)	\$90,748.69	\$90,748.69
Program Income and Reprogramming	\$42,268.31	\$20,000

Note: As proposed, if CDBG funds are decreased, Priority Neighborhood funding would be decreased. Also, there is no way to predict how much program income will be received during the fiscal year; \$20,000 is a conservative estimate based on prior years.



**A RESOLUTION  
COUNCIL PRIORITIES  
FOR CDBG and HOME FUNDS  
FY 18-19**

**WHEREAS**, the City of Charlottesville is a U.S. Department of Housing and Urban Development (HUD) Entitlement Community for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs and as such expects to receive an award of funding July 1, 2018; and

**WHEREAS**, in accordance with the City of Charlottesville's Citizen Participation Plan for HUD funding, the CDBG Task Force composed of citizen and community representatives will need to review potential projects and make recommendations for funding in Spring 2018;

**BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that the priorities and spending allowances for FY 2018-2019 shall be as follows:

- Council's priorities for the CDBG and HOME program for FY 18-19 shall be \_\_\_\_\_
- For FY 18-19, \$\_\_\_\_\_ CDBG entitlement shall be set aside for Economic Development
- For FY 18-19, the Priority Neighborhood shall be \_\_\_ and the allocation shall be \$\_\_\_\_\_ of the total CDBG entitlement. If the CDBG entitlement received is less than the estimate amount of \$\_\_\_\_\_, this amount will be decreased accordingly. The next Priority Neighborhood shall be \_\_\_\_\_
- The CDBG Admin and Planning budget shall be set at 20% of the total CDBG entitlement.
- The Public Services budget shall be set at 15% of the total CDBG entitlement.

**2017-2018 CDBG and HOME BUDGET ALLOCATIONS**  
**RECOMMENDED BY CDBG/HOME TASK FORCE and SAT: 1/10/17, 1/11/17, 1/19/17, and 1/25/17**  
**RECOMMENDED BY PLANNING COMMISSION: 3/1/2017**  
**ANTICIPATED APROVAL BY CITY COUNCIL: 9/5/2017**

<b>I.</b>	<b>PRIORITY NEIGHBORHOOD</b>		
	A. 10 <sup>th</sup> and Page		<b>\$282,000.31*</b>
<b>II.</b>	<b>ECONOMIC DEVELOPMENT PROJECTS</b>		
	A. Community Investment Collaborative Scholarships		\$12,500
	<b>ECONOMIC DEVELOPMENT TOTAL:</b>		<b>\$12,500</b>
<b>III.</b>	<b>PUBLIC SERVICE PROJECTS</b>		
	A. City of Promise – Enrolled to Launch		\$17,837
	B. OAR – Re-entry Services		\$15,533
	C. United Way – Child Care Subsidies		\$24,837
	<b>SOCIAL PROGRAMS TOTAL:</b>		<b>\$58,207 (15%</b>
EN)			
<b>IV.</b>	<b>ADMINISTRATION AND PLANNING:</b>		
	A. Admin and Planning		<b>\$77,609 (20%</b>
EN)			
	<b>GRAND TOTAL:</b>		<b>\$430,316.31</b>
	<b>ESTIMATED NEW ENTITLEMENT AMOUNT:</b>		<b>\$388,048</b>
	<b>REPROGRAMMING:</b>		<b>\$42,268.31</b>

\* Funding includes program income/reprogrammed funds

**2017-2018 HOME BUDGET ALLOCATIONS**

A. Habitat – Down payment Assistance	\$40,000
B. PHA – Down payment Assistance	\$50,748.69*
<b>TOTAL:</b>	<b>\$90,748.69</b>
<b>ENTITLEMENT AMOUNT:</b>	<b>\$57,113.25</b>
<b>ESTIMATED EN AVAILABLE AFTER PI APPLIED:</b>	<b>\$19,357.13</b>
<b>PI CARRY FORWARD TO BE APPLIED TO PROJECTS:</b>	<b>\$3,214.26</b>
<b>LOCAL MATCH:</b>	<b>\$14,278.31</b>

\* Includes estimated EN available after program income applied and program income carry forward

# CITY OF CHARLOTTESVILLE, VIRGINIA

## CITY COUNCIL AGENDA



Agenda Date:	September 18, 2017
Action:	Approval or Denial of Lease of McIntire Building
Presenter:	Mike Mollica, Facilities Development, Public Works
Staff Contacts:	Mike Mollica, Facilities Development, Public Works
<b>Title:</b>	<b>Historical Society Lease of McIntire Building</b>

### **Background :**

The McIntire Building – built for use as a City library by Paul Goodloe McIntire – is one of the more stately properties in Charlottesville. It was first leased to the Albemarle-Charlottesville Historical Society in 1993, after an extensive renovation organized by the Society, using a combination of donated funds and a loan from the City.

### **Discussion:**

The previous lease of the McIntire Library to the Albemarle Charlottesville Historical Society (ACHS) provided for a four-year initial term, expiring June 30, 2017, with a Tenant's option for an additional one year. Rather than electing to extend the existing lease, the Historical Society has requested that a new lease be executed under more favorable terms.

The previous lease agreement established a first-year rental rate of \$2,184, sufficient to offset the City's average cost to maintain the building. That rental rate did not account for the cost of capital improvements/repairs to the facility, nor did it reflect the Fair Market Value of the property, estimated at \$15/square foot (\$114,090/year) or compensate for lost commercial real estate revenue.

The lease being provided for consideration by City Council includes all terms requested by the Historical Society, including:

- No rent payments throughout the 5-year lease -- estimated minimum net revenue loss of \$10,920, not including any rent rate adjustments which may have been negotiated to reflect building maintenance or other cost increases associated with ownership.
- City assumes responsibility for the provision of electricity, natural gas and water/sewer utilities – estimated cost to the City of ~\$40,000 over 5 years
- City assumes responsibility for grounds maintenance, including snow removal – estimated cost to the City of ~\$11,000 over 5 years
- City assumes responsibility for Casualty Insurance

- City assumes responsibility for all capital improvements – estimated cost to the City of approximately \$118,000 over 5 years, (roof replacement & fire alarm system). As a footnote, the City has expended about \$430,000 for capital improvements, over the past ten years at this facility.

### **Community Engagement:**

In accordance with Virginia Code Sec. 15.2-1800(B), a public hearing is required to give the public an opportunity to comment on the proposed lease of public property.

### **Alignment with City Council's Vision and Strategic Plan:**

#### **1. A Center for Lifelong Learning:**

The Historical Society and its presence in Charlottesville allows all of our citizens in the community to learn about its rich, diverse and sometimes tumultuous past.

#### **2. Charlottesville Arts and Culture:**

The Historical Society, and its location in downtown Charlottesville, attracts both historians and those simply interested in the area's history to visit not only ACHS, but also encourages visits to many surrounding areas and venues reflected in the exhibits and materials on display at the Historical Society.

### **Budgetary Impact:**

Estimated net expenditures of \$61,920 over the 5-year term of the lease plus the capital expenses borne by the City which is estimated at over \$180,000 in the next five years.

### **Recommendation:**

City staff does not agree with the terms being proposed by the Historical Society. Therefore, staff recommends continuing negotiations with the Historical Society with the aim of establishing a mutually beneficial lease.

### **Alternatives:**

Approval of lease as written.

### **Attachments:**

Lease Agreement between City and Albemarle Charlottesville Historical Society

**THIS LEASE AGREEMENT**, made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the **CITY OF CHARLOTTESVILLE, VIRGINIA**, hereinafter the "Landlord", and the **ALBEMARLE COUNTY HISTORICAL SOCIETY**, a Virginia non-profit, non-stock corporation d/b/a the **ALBEMARLE CHARLOTTESVILLE HISTORICAL SOCIETY**, hereinafter the "Tenant";

**WITNESSETH:**

That Landlord hereby leases unto the Tenant and the Tenant hereby agrees to lease from the Landlord that lot located at 200 Second Street, N.E., Charlottesville, Virginia, and containing the McIntire Library Building and grounds, being more particularly described in a deed conveying the lot to the City of Charlottesville recorded among the records of the Charlottesville Circuit Court Clerk's Office in Deed Book 33 at Page 92, hereinafter referred to as the "Premises."

1. **TERM.** The Term of this Lease shall be for a period of five (5) years, beginning at 12:01 AM, \_\_\_\_\_, 2017 ("Commencement Date") and terminating at midnight on   (5 years less 1 day)  , 2022. This Lease may be terminated by the Landlord effective on or after June 30, 2020, provided the Landlord provides written notice of such termination to the Lessee at least one (1) year prior to the effective date of termination. The parties mutually agree that this Lease shall supersede and replace the existing lease agreement between the City and the Tenant for the Premises dated March 21, 2013.
2. **RENT.** The Landlord agrees that the Premises shall be leased to the Tenant with no Rent required.
3. **TENANT ALTERATIONS.** Any alterations, additions and improvements to the Premises must be approved by Landlord prior to the commencement of construction. Except as otherwise provided hereafter, all such alterations, additions, and improvements to the Premises shall enure to the benefit of and shall be the property of the Landlord.
4. **LANDLORD'S COVENANTS.**
  - A. Landlord covenants and agrees to:
    1. Comply with the requirements of applicable building and housing codes materially affecting health and safety;
    2. Make, coordinate and pay for all routine repairs and maintenance of the exterior premises, including but not limited to, exterior painting and roof repairs.
    3. Maintain in good and safe working order and condition all of the electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other utility or mechanical systems located within the Premises.
    4. Maintain the grounds of the Premises, to include mowing, leaf removal, landscaping and tree maintenance.
    5. Remove snow and ice from all walks and steps.

6. Provide utilities to serve the Premises, including electricity, water, sewer and natural gas.
  7. Provide property insurance for the replacement value of the Premises, covering damages caused by structural, mechanical, or systems issues related to the building and grounds.
- B. Landlord further covenants that the Tenant, on performing the covenants and conditions contained in this Lease, may peaceably and quietly have, hold and enjoy the leased Premises, subject to the other terms of this Lease.

## 5. TENANT'S COVENANTS.

Tenant covenants and agrees to:

- A. Keep and maintain the Premises in good, clean and safe condition, including:
1. Tenant shall comply with obligations imposed upon tenants by applicable building and housing codes materially affecting health and safety;
  2. Tenant shall use all appliances, and all electrical, plumbing, sanitary, heating, ventilating, air-conditioning and other systems, in a reasonable and safe manner;
  3. Tenant agrees to pay all costs resulting from the intentional or negligent destruction, damage or removal of any part of the Premises by the Tenant or by any sublessee of the Tenant.
  4. Tenant shall make an annual report to City Council about the progress of Tenant's various programs, to be provided in January of each year of the lease Term.
- A. Tenant shall immediately notify the Landlord of any condition on the Premises that constitutes a fire hazard or other serious threat to the life, health or safety of the occupants of the Premises. Additionally, the Tenant shall provide prompt written notice to the Landlord of any defects or malfunctions in the Premises or in any of the equipment, appliances or parts thereof, as soon as the Tenant becomes aware of them.
- B. Tenant covenants and agrees that upon the expiration or termination of this Lease: (i) the Tenant will deliver the Premises in the same condition in which they were received, ordinary wear and tear excepted; and (ii) the Premises shall be thoroughly cleaned. In the event any of the above conditions have not been met by Tenant prior to its vacation of the Premises, the Tenant agrees to pay all costs and expenses incurred by the Landlord to do so.
- C. Tenant agrees to release, indemnify, protect, and hold the City, its officers, agents and employees harmless from any loss, liability or obligation of any nature whatsoever, which may occur by reason of the Tenant's use of the Premises. This indemnification shall continue in full force and effect notwithstanding the termination of this Agreement. The Tenant shall maintain in force comprehensive public liability insurance coverage in a minimum amount of \$1,000,000, with an insurer authorized to do business in Virginia. Such policy shall name the City as an additional insured and shall provide that such coverage shall not be cancelled without thirty (30) days written notice to the City. The

Tenant shall submit evidence of such insurance coverage to the City Attorney for approval prior to the commencement date of this lease.

D. The Tenant shall not deliberately or negligently destroy, deface, damage, impair or remove any part of the Premises or permit any other person to do so. Tenant shall be liable for all costs and expenses necessary to repair or replace the Premises, or any portion thereof, as a result of such deliberate or negligent acts.

E. Tenant shall not commit or permit any waste or nuisance on or about the Premises, nor do anything that might create a hazard of fire on or within the Premises.

**6. DAMAGE TO PREMISES.**

A. In the event the Premises are destroyed or substantially damaged by fire or other casualty, and thereby rendered unfit for occupancy, the Term of this lease shall, at the option of either party upon reasonable notice to the other, terminate as of the date of such damage. Under those circumstances, accrued rent shall be paid up to the time of such damage. If neither party desires to terminate the Lease, the Landlord shall enter and repair the Premises with reasonable speed and rent shall be waived during any period in which the Premises remain unfit for occupancy. Once the Premises have been restored to a condition which is suitable for occupancy, the Tenant's rental obligation shall re-commence, but may be reduced by a reasonable amount for any period during which repairs continue, until such repairs have been completed.

B. The Landlord shall maintain fire and extended coverage insurance on the Premises in an amount deemed adequate by the Director of Finance for the City of Charlottesville.

C. The Tenant shall, at its own cost and expense, obtain adequate coverage for insuring the contents of the building against fire, theft or other peril, and the City expressly disclaims any liability for damages or loss of any nature whatsoever which may occur to the property of the Tenant, its members, or others while such property is located on the Premises.

**7. INDEMNIFICATION.** The Tenant agrees to indemnify the City, its officers, agents and employees and hold them harmless from any loss of any nature whatsoever, which may occur by reason of the Tenant's use of the Premises. The Tenant shall maintain in force comprehensive public liability insurance coverage in a minimum amount of One Million Dollars (\$1,000,000.00), with an insurer authorized to do business in Virginia. Such policy shall name the City as an additional insured and shall provide that such coverage shall not be cancelled without thirty (30) days written notice to the City. The Tenant shall submit evidence of such insurance coverage to the City Attorney for approval prior to the commencement date of this lease.

**8. SUBLET OR ASSIGNMENT.** The Tenant shall have no right to assign or sublet the Premises to any other party without the prior written consent of the Landlord, which consent shall be entirely within the discretion of the Landlord. The Landlord acknowledges that a portion of the building basement has been sublet by the Jefferson Madison Regional Library.

**9. ACCESS.** The Landlord shall have the right to enter the Premises during normal business hours in order to inspect the Premises, make necessary agreed repairs or exhibit the Premises to either prospective or actual purchasers, tenants, workers or contractors. The Landlord may so enter without the consent of the Tenant at any time in case of emergency. Except in the case of emergency, or if it is impractical to do so, the Landlord shall give the Tenant reasonable notice of its intention to enter.

10. **HOURS OF OPERATION.** Tenant shall establish regular hours during which the Premises will be open to the public. As a minimum, the Premises shall be open to the public 5 days per week, forty eight (48) weeks per year. For this purpose, a full day shall be deemed to be six (6) hours.

11. **DEFAULT; TERMINATION.**

A. The following shall constitute events of Default by Tenant: (i) any material breach of this Lease by Tenant, including, without limitation, any breach that substantially affects the health or safety of any person; (ii) Tenant's abandonment of the Premises; (iii) Tenant's failure to make any payment of rent under this lease for a period of fifteen (15) days after written notice; (iv) use of the Premises by Tenant or others for any illegal purposes; (v) Tenant's denial of any right reserved in this Lease to the Landlord; (vi) filing by the Tenant or against the Tenant in any court pursuant to any statute of a petition of bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property or an assignment by the tenant for the benefit of creditors, provided that such proceedings are not dismissed within 90 days after the commencement of same; (vii) failure by the Tenant to maintain its status as a non-profit, non-stock organization, and (viii) the institution of legal proceedings by or against Tenant to levy upon or dispose of Tenant's leasehold interest in the Premises.

i. If Tenant is in default for non-payment of rent, and such default continues for thirty (30) days following written notice from the Landlord demanding possession of the Premises or the payment of rent, then the Tenant shall thereby forfeit its right to possession of the Premises. In such case, Tenant's possession may, at the Landlord's option, be deemed unlawful and the Landlord may proceed to recover possession through all lawful means and proceedings.

ii. In the event of a default for reasons other than failure to pay rent, the Landlord shall serve Tenant with a written notice stating the acts or omissions constituting the default and stating that the Lease will terminate, as set forth within the notice, upon a date not less than 30 days after Tenant receives the notice, unless the default is remedied within 21 days. If the breach is remediable by repairs or the payment of damages, and Tenant adequately remedies the breach within 21 days or such longer period of time as Landlord may specify in writing, the Lease shall not terminate. However, if a particular default is not remediable, Landlord's written notice to Tenant may state the acts and omissions constituting the default and state that the Lease will terminate upon a specific date, which date shall not be less than 30 days after Tenant receives the notice.

iii. In the event the Landlord pursues any remedies referenced above, the Tenant shall be liable as follows: (a) for all installments of rent and other charges that are past due, and those that are due and owing for the remainder of the Term of this Lease which shall immediately become due and payable; (b) for all expenses that may be incurred by the Landlord for re-letting the Premises, including, without limitation: brokerage, advertising, cleaning, repairing, redecorating and refurnishing expenses; (c) for any court costs incurred by the Landlord for possession of the Premises and for collection of unpaid rent or other charges under this Lease agreement; and (d) for reasonable attorney's fees incurred by the Landlord to obtain possession of the Premises or to collect rent, damages, or other charges under this Lease agreement.

B. The following shall constitute events of Default by Landlord: (i) any material breach of this Lease by Landlord, including, without limitation, any breach that substantially



affects the health or safety of any person; and (ii) Landlord's failure to comply with any laws pertaining to this Lease agreement.

- i. In the event of a Default by Landlord the Tenant shall serve a written notice to the Landlord specifying the acts or omissions constituting the Default and stating that this Lease agreement will terminate on a specific date not less than 30 days after receipt of the notice if such breach is not remedied within 21 days. If the breach can be remedied by repairs, and the Landlord adequately remedies the breach prior to the date specified in the notice, this Lease agreement shall not terminate.
    - ii. The Tenant may not terminate this agreement for a condition caused by the deliberate or negligent act of the Tenant, sublessees or invitees.
    - iii. The Tenant may recover damages and reasonable attorney's fees and may obtain any other action or remedy permitted by law for Landlord's failure to abide by the provisions of this Lease agreement. The Tenant's recourse to any particular remedy shall not deprive him of any other action or remedy.
  - C. Prior to Expiration, if the Tenant deserts the Premises, the Landlord may deem the Lease in default and the Premises to be abandoned. The Landlord shall post in a conspicuous area on the Premises a notice declaring the Premises abandoned. Thereafter, the Landlord may enter and secure Premises and, after compliance with any applicable provisions of state law, the Landlord shall be entitled to possession.
  - D. Upon termination or expiration of this lease, Landlord shall have the right to reenter and repossess the Premises and may dispossess the Tenant and remove the Tenant and all other persons and property from the Premises. Tenant shall leave the Premises in good and clean condition, ordinary wear and tear excepted.
12. **NOTICES.** All notices required by this Lease, and all correspondence concerning this Lease, shall be sent by United States mail (postage prepaid), to the following individuals:
- A. To Landlord: to the attention of the City Manager for the City of Charlottesville, addressed as follows: P. O. Box 911, Charlottesville, Virginia 22902.
  - B. To Tenant, to the address for the Premises, or such other address as the Tenant may designate in writing from time to time.
13. **HEADINGS.** The headings of the sections of this Lease are inserted for convenience only and do not alter or amend the provisions that follow such headings.
14. **GOVERNING LAW.** This Lease shall be construed, interpreted and applied in accordance with the laws of the Commonwealth of Virginia.
15. **SEVERABILITY.** Any provision of this Lease which is prohibited by, or declared by a court of competent jurisdiction to be unlawful or unenforceable under Virginia law shall be ineffective only to the extent of such prohibition or declaration; the remaining provisions of this Lease shall remain in full force and effect.
16. **NO WAIVERS.** Failure of the Landlord to insist, in any one or more instances, upon a strict performance of the covenants of this lease, or to exercise any option herein contained, shall not be construed as a waiver or a relinquishment of such right, but the same shall continue and remain in full force and effect. No waiver by the landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Landlord.
17. **AMENDMENTS.** This lease may not be amended or modified except by written agreement signed by both parties.

18. **BENEFITS.** This agreement is binding upon and shall inure to the benefit of all the respective parties hereto, their respective successors, legal representatives and assigns.
19. **ENTIRE AGREEMENT.** This lease shall constitute the full and complete agreement between the parties, and no other prior or contemporaneous writings or statements shall be of any consequence or have any legal effect.

WITNESS the following signatures and seals.

**CITY OF CHARLOTTESVILLE, VIRGINIA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ALBEMARLE COUNTY HISTORICAL SOCIETY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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



<b>Agenda Date:</b>	September 18, 2017
<b>Action Required:</b>	Resolution
<b>Staff Contacts:</b>	Stacy Pethia, Housing Program Coordinator
<b>Presenter:</b>	Stacy Pethia, Housing Program Coordinator
<b>Title:</b>	Allocation of FY 2018 Charlottesville Affordable Housing Funds

**Background:**

Currently, the City does not utilize an annual competitive selective process in awarding Charlottesville Affordable Housing Fund (CAHF) monies. Instead, a rolling application process has been utilized with funding decisions made based on the merits of individual requests for funding until CAHF funds are fully depleted. To help ensure CAHF funds are invested in affordable housing projects with the greatest impact, FY 2018 funding requests have been collectively reviewed. Each of these requests is presented below with staff recommendations for funding.

**Discussion:**

Staff received four (4) requests for CAHF funding between May and June 2017. Summaries of the proposals are as follows:

**Project:** Carlton Neighborhood Housing  
**Applicant:** Community Services Housing  
**CAHF Request:** \$612,500  
**CAHF Cost/Unit:** \$17,500

Carlton Neighborhood Housing, located at 1200, 1210 and 1310 Carlton Avenue and 301 Carlton Road, is a 35 unit supported affordable housing development owned and managed by Community Services Housing (CSH), Inc. CSH is seeking CAHF funds to support the substantial rehabilitation of the properties to increase energy and water efficiency (through EarthCraft Gold certification), as well as accessibility of the units. The housing units will be designated for households earning no more than 60% of area median income, with a majority of

household incomes below the federal poverty line (the average income of current residents is \$9,000 per year). Region 10 has entered into a Memorandum of Understanding with CSH to provide housing subsidies and ongoing supportive services for Carlton Housing Residents. CSH has been awarded Low Income Housing Tax Credits (LIHTC) through the Accessible Supportive Housing pool. To comply with the tax credit program requirements, CSH will convert nine (9) of the units to meet Uniform Federal Accessibility Standards and 15 additional units will meet Virginia Housing Development Authority's (VHDA) Universal Design Standards for accessibility. Once complete, the units will remain affordable for a 30 year period.

**Project:** Carlton Views II  
**Applicant:** Carlton Views, LLC  
**CAHF Request:** \$1,440,000  
**CAHF Cost/Unit:** \$30,000

Carlton Views II is the third phase of a mixed-income, mixed-use development located at 1337 Carlton Avenue. Phases one and two development included the construction of the Blue Ridge Pace Center and Carlton Views I, a 54-unit apartment building providing affordable housing options for households with incomes between 40% and 60% of area median income. This project, once complete, will add an additional 48 rent and income restricted units to the site, bringing the total affordable unit count on the site to 102 units. Twelve of the units in Carlton Views II will be reserved for persons with disabilities, with the remaining units incorporating universal design principles (e.g., no-step entrances, roll-under sinks, widened doors and pathways). Like Carlton Views I, which achieved EarthCraft Platinum certification, green building principles will be applied throughout this project to increase the energy efficiency of individual units. The Blue Ridge PACE has entered into an agreement with Carlton Views, LLC to provide rent subsidies for PACE program participants and income qualifying employees who reside in the completed development. Carlton Views, LLC has recently submitted a LIHTC application to VHDA. Total project costs are estimated at \$10,380,785. The LIHTC compliance period for affordability is 30 years.

**Project:** Homeowner Rehab & Emergency Repairs  
**Applicant:** AHIP  
**CAHF Request:** \$905,656  
**CAHF Cost/Unit:** \$16,172

AHIP has partnered with the City of Charlottesville for eight years to provide emergency repairs and home rehabilitation services to the City's lower-income homeowners. AHIP is seeking to continue this partnership in FY 2018 through their Scattered Site Rehab and Emergency Repair programs, as well as their targeted Block-by-Block Charlottesville program in the Orangedale and Prospect neighborhood. The requested funding amount will assist 60 to 70 households

preserve their homes, enhance their home health environment, and remain safe at home for years to come. Assistance for each rehab project is provided to the homeowner as a zero interest loan, secured by a Deed of Trust, forgivable over a period of time depending on the amount of assistance provided.

**Project:** Project 20  
**Applicant:** Habitat for Humanity of Greater Charlottesville  
**CAHF Request:** \$480,000  
**CAHF Cost/Unit:** \$30,000

Habitat for Humanity is requesting CAHF support for the continuation of their Project 20 program. Through this program, the organization purchases residential lots throughout the city for the construction of Habitat family homes. The \$480,000 requested from the CAHF would support the purchase of 16 lots scattered throughout Charlottesville's neighborhoods, with the intention of integrating lower-income homeownership opportunities into existing market rate communities. The affordability of each Habitat home will be protected by a variety of mechanisms (e.g., deed restrictions, appreciation sharing and right of first refusal). Proceeds from any future home sales will be reinvested into future affordable housing in the city.

Each of the project proposals was reviewed by staff against the following measures; Table 1 (attached) provides a summary of that review:

1. Type of proposed project (new construction or rehabilitation);
2. Housing tenure (homeownership or rental housing);
3. Project timeline;
4. Amount of CAHF funding requested;
5. Total project cost;
6. Total number units in completed project;
7. Total number of affordable units in completed project;
8. CAHF investment per unit;
9. Amount of other funding;
10. Percentage of total project cost covered by CAHF funds;
11. Levels of affordability addressed by the project (i.e., level of area median income); AND
12. Affordability period for the completed units.

As Table 1 demonstrates, all four proposed projects meet a variety of the City's Strategic and Comprehensive Plan housing goals. All four projects also directly align with the City's 2025 Goals for Affordable Housing by increasing the number of supportive affordable units in Charlottesville. Three of the four applicants have previously received CAHF support in the amounts of approximately \$4.8 million for AHIP (FY 2008 – FY 2017), \$950,000 for Carlton

Views, LLC (FY 2014), and approximately \$3.2 million for Habitat for Humanity (FY 2008 – FY 2017); Community Services Housing, Inc. has never requested CAHF support for any of their housing projects located within the City. Only the LIHTC projects – Carlton Views II and Carlton Neighborhood Housing – guarantee housing affordability over the long-term (30 years). These two projects also leverage the greatest amount of funding against CAHF dollars, with City funding comprising 14% and 11% of total project costs respectively. In terms of organizational capacity to complete the projects, all four applicants have significant experience carrying out their respective types of projects. Time to completion for each project varies from 12 months to three years; however, only the LIHTC projects have firm deadlines, which must be met to compliance with the LIHTC program.

### **Community Engagement:**

On August 29, 2017, the Housing Advisory Committee’s Low Income Housing Tax Credit Subcommittee reviewed the proposals from Community Services Housing, Inc. and Carlton Views II, LLC. The subcommittee members support each project, noting the need for long-term affordable rental housing option within the City, as well as the importance of preserving an important source of supportive housing for members of the disability community.

In addition, the Carlton Views development as a whole underwent a public process during the special use permit (SUP) review and approval process. A joint public hearing between Council and the Planning Commission was held on May 20, 2013, and SUP approval was granted on September 16, 2013, subject to a requirement that a minimum of 30% of the units to be constructed on the site ( $102 \times 30\% = 30.6$  units) would be provided to residents at 60% AMI or less. The proposal fulfills that requirement.

The proposals submitted by AHIP and Habitat for Humanity of Greater Charlottesville are not subject to public review or comment.

### **Alignment with City Council Vision and Strategic Plan:**

#### *AHIP Home Rehab:*

- Strategic Plan Goals
  - Goal 1.3: Increase affordable housing options
- Comprehensive Plan Goals
  - Goal 2.1: Preserve and improve the quality and quantity of the existing housing stock through the renovation, rehabilitation and/or expansion of existing units as a means of enhancing neighborhood stability.
  - Goal 3.1: Continue to work toward the City’s goal of 15% supported affordable housing by 2025. Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.

- Goal 5: Support projects and public/ private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.

*Carlton Views, LLC*

- Strategic Plan Goals
  - Goal 1.3: Increase affordable housing options
  - Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources (aligning health care with provision of housing for the elderly and disabled)
- Comprehensive Plan Goals
  - Goal 3: Grow the City's housing stock for residents of all income levels
  - Goal 3.1: Continue to work toward the City's goal of 15% supported affordable housing by 2025. Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.
  - Goal 4.1: Continue to support the use of appropriate tax credit proposals submitted by private and non-profit developers within the locality to create affordable rental units, as consistent with Housing Advisory Committee policy.
  - Goal 5: Support projects and public/ private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.
  - Goal 5.7: Support housing programs at the local and regional level that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households.
  - Goal 7: Offer a range of housing options to meet the needs of Charlottesville's residents, including those presently underserved, in order to create vibrant residential areas or reinvigorate existing ones.
  - Goal 7.1: To the greatest extent feasible ensure affordable housing is aesthetically similar to market rate.
  - Goal 8.1: - Encourage mixed-use and mixed-income housing developments.
  - Goal 8.3: - Encourage housing development where increased density is desirable and strive to coordinate those areas with stronger access to employment opportunities, transit routes and commercial services.
  - Goal 8.7: Encourage the incorporation of green sustainable principles (e.g. LEED, EarthCraft Virginia, Energy Star, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs.

*Community Services Housing, Inc.*

- Strategic Plan Goals
  - Goal 1.3: Increase affordable housing options
  - Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources (aligning health care with provision of housing for the elderly and disabled)
- Comprehensive Plan Goals

- Goal 1.1: Consider the effect of housing decisions when considering the proximity of existing units and the effects of unit location on associated infrastructure.
- Goal 1.2: Evaluate the effect of reduction transportation costs and improved energy efficiency on housing affordability.
- Goal 2.1: Preserve and improve the quality and quantity of the existing housing stock through the renovation, rehabilitation and/or expansion of existing units as a means of enhancing neighborhood stability.
- Goal 2.5: Promote the use of rapid rehousing and permanent supportive housing options by providing support to programs and organization serving the homeless and near-homeless populations, as well as those with challenges that would otherwise prevent independent living.
- Goal 3.1: Continue to work toward the City's goal of 15% supported affordable housing by 2025.
- Goal 4.1: Continue to support the use of appropriate tax credit proposals submitted by private and non-profit developers within the locality to create affordable rental units, as consistent with Housing Advisory Committee Policy,
- Goal 4.2: Continue to fund programs that provide assistance to those unable to afford market rate housing options in the City.
- Goal 8.7: Encourage the incorporation of green sustainable principles (e.g., LEED, EarthCraft Virginia, EnergyStar, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs.

*Habitat for Humanity of Greater Charlottesville*

- Strategic Plan Goals
  - Goal 1.3: Increase affordable housing options
- Comprehensive Plan Goals
  - Goal 3: Grow the City's housing stock for residents of all income levels
  - Goal 3.1: Continue to work toward the City's goal of 15% supported affordable housing by 2025. Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.
  - Goal 5: Support projects and public/ private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.
  - Goal 5.7: Support housing programs at the local and regional level that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households.
  - Goal 7: Offer a range of housing options to meet the needs of Charlottesville's residents, including those presently underserved, in order to create vibrant residential areas or reinvigorate existing ones.
  - Goal 7.1: To the greatest extent feasible ensure affordable housing is aesthetically similar to market rate.
  - Goal 8.1: Encourage mixed-use and mixed-income housing developments.



**Budgetary Impact:**

The total amount of project funding requests equals \$3,438,156. After accounting for already approved project funding, provisionally approved project funding, and set-aside funds for program administration/matching funds there is approximately \$2.9 million dollars remaining for housing project funding. As such, approval of any of the four funding requests presented above will significantly impact the CAHF and the City’s ability to fund further projects throughout FY 2018.

**Table 2: CAHF Available Balance as of 9/11/2017**

<b>CAHF Available Balance</b>	<b>\$4,467,995.42</b>
CRHA set-aside	(\$250,000.00)
Administrative Funds	(\$82,681.74)
HOME Match	(\$14,278.00)
Rental Assistance Program	(\$900,000.00)
Landlord Risk Reduction Fund	(\$75,000.00)
TJCLT	(\$240,000.00)
Free Paint Program	(\$15,000.00)
<b>CAHF Remaining Balance</b>	<b>\$2,891,035.68</b>

**Recommendation:**

Staff recommends funding both the Carlton Views II and Carlton Neighborhood Housing projects. This recommendation is based on several factors:

1. Both projects will significantly increase the number of supported affordable units (SAU) in the City’s housing stock by 83 units.
2. The projects will provide a sizeable number of affordable units for households earning less than 60% AMI, with the affordability of all 83 units guaranteed for 30 years through LIHTC program requirements.
3. Supportive services for residents are incorporated into each project post construction/renovation. Supportive services greatly enhance the ability of elderly and disabled persons to live independently within the community. Carlton Views, LLC and Community Services Housing, Inc. have entered into agreements with Blue Ridge PACE and Region 10 (respectively) to provide supportive services onsite.
4. Each project increases the number of accessible housing units in the City.

Staff supports both projects and recommends Council approve the full amount of requested funding be awarded to each project. For the Carlton Views project, the funding will be dispersed through Piedmont Housing Alliance, the non-profit partner in this project. Additionally, to support Carlton Views, LLC’s LIHTC application, staff recommends City Council approve the attached resolution declaring the Carlton Views site as being located in a revitalization area based on the following:

1. The industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial,

commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; AND

2. Private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

**Alternatives:**

Council could decide against funding the Carlton Views and Community Services Housing projects, or to provide the projects with a different level of funding. Council could also decide to fund a different set of the projects outlined above, or choose to not fund any of these projects at this time. Additionally, City Council could choose to not support the revitalization area certification for the Carlton Views II project, which could have a negative impact on Carlton Views, LLC's LIHTC application.

**Attachments:**

Table 1: CAHF Funding Request Summaries

AHIP FY18 Funding Request

Carlton Views II Funding Request

Carlton Neighborhood Housing Funding Proposal

Habitat for Humanity of Greater Charlottesville Project 20 Funding Request

Resolution for Carlton Views II Revitalization Area Certification

Resolution for Carlton Views II Funding

Resolution for Carlton Neighborhood Housing Funding

**Table 1: CAHF Funding Request Summaries**

	<b>Carlton Views II, LLC</b>	<b>Community Services Housing</b>	<b>Habitat for Humanity of Greater Charlottesville</b>	<b>Albemarle Housing Improvement Program</b>
<b>Project Name:</b>	Carlton Views II	Carlton Neighborhood Housing	Project 20	Home Rehab Program
<b>Type of Project:</b>	New Construction	Substantial Rehab	Property Acquisition	Homeowner Rehab & Emergency Repairs
<b>Housing Tenure:</b>	Rental	Rental	Homeowner	Homeowner
<b>Project Timeline:</b>	30 months	20 months	36 months	12 months
<b>Amount Requested:</b>	\$1,440,000.00	\$612,500.00	\$480,000.00	\$905,656.00
<b>Total Project Cost:</b>	\$10,380,785.00	\$5,770,184.00	\$3,110,400.00	\$905,656.00
<b>Total Number of Units:</b>	48	35	16	56
<b>Number of Affordable Units:</b>	48	35	16	56
<b>CAHF Amount/Unit:</b>	\$30,000.00	\$17,500.00	\$30,000.00	\$16,172.43
<b>Other Funding:</b>	\$8,940,785.00	\$5,157,684.00	\$2,630,400.00	\$0.00
<b>% City Funding:</b>	14%	11%	15%	100.0%
<b>Level(s) of Affordability:</b>	40% AMI & 60% AMI	40% - 60% AMI	25% - 60% AMI	Up to 80% AMI
<b>Period of Affordability:</b>	30 years minimum	30 years minimum	Varies by time of first resale	Varies depending on City share of project costs
<b>Units for Special Populations:</b>	12 units for persons with disabilities	<ul style="list-style-type: none"> <li>• 9 units @ Uniform Federal Accessibility Standards</li> <li>• 15 units @ VHDA Universal Design Standards</li> <li>• 35 units of supportive housing</li> </ul>	N/A	N/A

	<b>Carlton Views II, LLC</b>	<b>Community Services Housing</b>	<b>Habitat for Humanity of Greater Charlottesville</b>	<b>AHIP</b>
<b>Alignment with Comprehensive Plan Goals:</b>	<ul style="list-style-type: none"> <li>• Goal 3: Grow the City’s housing stock for residents of all income levels</li> <li>• Goal 3.1: Continue to work toward the City’s goal of 15% supported affordable housing by 2025. Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.</li> <li>• Goal 4.1: Continue to support the use of appropriate tax credit proposals submitted by private and non-profit developers within the locality to create affordable rental units, as consistent with Housing Advisory Committee policy.</li> <li>• Goal 5: Support projects and public/ private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.</li> <li>• Goal 5.7: Support housing programs at the local and regional level that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households.</li> <li>• Goal 7: Offer a range of housing</li> </ul>	<ul style="list-style-type: none"> <li>• Goal 1.1: Consider the effect of housing decisions when considering the proximity of existing units and the effects of unit location on associated infrastructure.</li> <li>• Goal 1.2: Evaluate the effect of reduction transportation costs and improved energy efficiency on housing affordability.</li> <li>• Goal 2.1: Preserve and improve the quality and quantity of the existing housing stock through the renovation, rehabilitation and/or expansion of existing units as a means of enhancing neighborhood stability.</li> <li>• Goal 2.5: Promote the use of rapid rehousing and permanent supportive housing options by providing support to programs and organization serving the homeless and near-homeless populations, as well as those with challenges that would otherwise prevent independent living.</li> <li>• Goal 3.1: Continue to work toward the City's goal of 15% supported affordable housing by 2025.</li> <li>• Goal 4.1: Continue to support</li> </ul>	<ul style="list-style-type: none"> <li>• Goal 3: Grow the City’s housing stock for residents of all income levels</li> <li>• Goal 3.1: Continue to work toward the City’s goal of 15% supported affordable housing by 2025. Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.</li> <li>• Goal 5: Support projects and public/ private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.</li> <li>• Goal 5.7: Support housing programs at the local and regional level that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households.</li> <li>• Goal 7: Offer a range of housing options to meet the needs of Charlottesville’s residents, including those presently underserved, in</li> </ul>	<ul style="list-style-type: none"> <li>• Goal 2.1: Preserve and improve the quality and quantity of the existing housing stock through the renovation, rehabilitation and/or expansion of existing units as a means of enhancing neighborhood stability.</li> <li>• Goal 3.1: Continue to work toward the City’s goal of 15% supported affordable housing by 2025. Goal 3.6: Promote housing options to accommodate both renters and owners at all price points, including workforce housing.</li> <li>• Goal 5: Support projects and public/ private partnerships (i.e., private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use, and mixed-income developments.</li> </ul>

	<p>options to meet the needs of Charlottesville’s residents, including those presently underserved, in order to create vibrant residential areas or reinvigorate existing ones.</p> <ul style="list-style-type: none"> <li>• Goal 7.1: To the greatest extent feasible ensure affordable housing is aesthetically similar to market rate.</li> <li>• Goal 8.1: - Encourage mixed-use and mixed-income housing developments.</li> <li>• Goal 8.3: - Encourage housing development where increased density is desirable and strive to coordinate those areas with stronger access to employment opportunities, transit routes and commercial services.</li> <li>• Goal 8.7: Encourage the incorporation of green sustainable principles (e.g. LEED, EarthCraft Virginia, Energy Star, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs.</li> </ul>	<p>the use of appropriate tax credit proposals submitted by private and non-profit developers within the locality to create affordable rental units, as consistent with Housing Advisory Committee Policy,</p> <ul style="list-style-type: none"> <li>• Goal 4.2: Continue to fund programs that provide assistance to those unable to afford market rate housing options in the City.</li> <li>• Goal 8.7: Encourage the incorporation of green sustainable principles (e.g., LEED, EarthCraft Virginia, EnergyStar, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs.</li> </ul>	<p>order to create vibrant residential areas or reinvigorate existing ones.</p> <ul style="list-style-type: none"> <li>• Goal 7.1: To the greatest extent feasible ensure affordable housing is aesthetically similar to market rate.</li> <li>• Goal 8.1: Encourage mixed-use and mixed-income housing developments.</li> </ul>	
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	<b>Carlton Views II, LLC</b>	<b>Community Services Housing</b>	<b>Habitat for Humanity of Greater Charlottesville</b>	<b>Albemarle Housing Improvement Program</b>
<b>Alignment with Strategic Plan Goals:</b>	<ul style="list-style-type: none"> <li>• Goal 1.3: Increase affordable housing options</li> <li>• Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources (aligning health care with provision of housing for the elderly and disabled)</li> </ul>	<ul style="list-style-type: none"> <li>• Goal 1.3: Increase affordable housing options</li> <li>• Goal 2.3: Improve community health and safety outcomes by connecting residents with effective resources (aligning health care with provision of housing for the elderly and disabled)</li> </ul>	Goal 1.3: Increase affordable housing options	Goal 1.3: Increase affordable housing options

**RESOLUTION**  
**Revitalization Area Certification for Carlton Views II**

**BE IT RESOLVED** by the City Council of the City of Charlottesville, Virginia that Carlton Views II is located within a Revitalization Area, defined by the Virginia Housing Development Authority as any area that 1) the industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; AND 2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in such area and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

**RESOLUTION**

**Allocation of Charlottesville Affordable Housing Fund (CAHF) for Carlton Views, LLC  
Carlton Views II Development Project -- \$1,440,000**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Charlottesville, Virginia that the sum of \$1,440,000 be allocated from previously appropriated funds in the Charlottesville Affordable Housing Fund (CAHF) to the Carlton Views II, LLC for the purpose of providing funds for the Carlton Views II affordable housing development project.

Fund: 426

Project: CP-084

G/L Account: 530670

Carlton Views, LLC \$1,440,000



**RESOLUTION**  
**Allocation of Charlottesville Affordable Housing Fund (CAHF) for the**  
**Community Services Housing, Inc. -- \$612,500**

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Charlottesville, Virginia that the sum of \$612,500 be allocated from previously appropriated funds in the Charlottesville Affordable Housing Fund (CAHF) to the Community Services Housing, Inc. for the purpose of providing funds for the Carlton Neighborhood Housing substantial rehabilitation project.

Fund: 426

Project: CP-084

G/L Account: 530670

Carlton Views, LLC \$612,500

# CHARLOTTESVILLE HOUSING FUND GRANT REQUEST *CARLTON VIEWS II – 48 AFFORDABLE HOUSING UNITS*

## I. EXECUTIVE SUMMARY

Fountainhead Development, LLC (“**Fountainhead**”), the developer of **Blue Ridge PACE Center** and **Carlton Views I** plan to develop a 48-unit affordable housing project at 1337 Carlton Avenue, Charlottesville, Virginia (“**Project**”). The Project will be the third phase of a mixed-income, mixed-use complex, that is to provide a total of 102 affordable housing units, together with the Blue Ridge PACE Center (“**Master Development**”). Given the limited funding sources for rent-restricted projects, to ensure the feasibility of the Project, Fountainhead is requesting much needed support from the City of Charlottesville in the form of:

- Charlottesville Housing Fund grant of \$1,440,000
- Issuance of a City Support Letter
- Issuance of a “Revitalization Area” Certification

## II. OVERVIEW OF CARLTON VIEWS

A. **The Carlton Views Master Plan**. In 2000 Fountainhead purchased approximately 5.25 acres located at 1337 Carlton Avenue, (“**Site**”) in the Belmont-Carlton neighborhood. Before its acquisition the Site was an obsolete concrete plant considered an eyesore in the community. When meeting with City officials and various civic leaders to plan a development strategy, we quickly learned that:

- Charlottesville believes that “*mixed land use developments can enhance the economic vitality and improve the lives of Charlottesville’s residents.*”
- Charlottesville has an acute need for affordable housing, and an even more pressing *need for affordable housing for persons with disabilities.*
- Charlottesville will need to partner with experienced developers to *achieve the goal set by City Council in 2010 of 15% of Charlottesville housing stock being comprised of affordable housing units by 2025.*

With these principals in mind, Fountainhead endeavored to create a “*new mixed-income, multi-generational community.*” The Site is being developed in three phases (“**Master Plan**”):

**Phase 1: Blue Ridge Pace Center.** The Center is a 20,000 square foot state of the art medical office building that houses Blue Ridge PACE, a joint venture owned by UVA Medical, JABA, and Riverside Hospital. The PACE program provides comprehensive care for low income seniors with a disability. The program is designed to improve the quality of life for participants and their caregivers by utilizing a comprehensive system of interdisciplinary services including, all levels of medical, prescription maintenance, social interaction, personal care, and respite services. The Blue Ridge Pace Center cost approximately \$6,750,000 and has created approximately 60 full time jobs.

**Phase 2: Carlton Views I.** This apartment project provided 54 rent and income restricted units, with 14 of the units reserved for persons with a disability. Carlton Views I opened

in January 2017, and was fully leased within 45 days of completion. The Project achieved Earthcraft Platinum and cost approximately \$10,720,000, with much of that being spent locally.

**Phase 3 (currently underway): Carlton Views II Apartments.** Building on the success of Carlton Views I, the Project will be 48 affordable units built adjacent to the Blue Ridge PACE Center and Carlton Views I. Like Carlton Views I, the Project's units will be rent and income restricted to serve low income residents, with 12 units reserved for persons with disabilities. The Project is currently applying for Low-Income Housing Tax Credits ("LIHTC") and costs are projected to be \$10,380,785. In addition to providing much needed affordable housing units, Carlton Views II will look to add 4 additional full-time jobs to the community.

### III. THE PROJECT

**A. Need for Affordable, Accessible Housing.** Charlottesville, like other cities, has a dire need for affordable, accessible housing for its citizens with disabilities. The traditional solution--assisted-living facilities--are cost-prohibitive for persons with limited means and burdensome for the community. An emerging solution is to link or co-locate supportive services in close proximity to affordable accessible housing ("**Affordable Housing+Services**"). Carlton Views II will continue its proven success through linking (i) community-based services, such as Blue Ridge PACE, JABA, JAUNT, and UVA Medical, with (ii) affordable accessible housing financed in large part by the federal LIHTC program.

**B. The Pace Subsidy.** Like other PACE facilities, Blue Ridge PACE has identified a need for affordable accessible housing among its participants. To address this need, Blue Ridge PACE has agreed to provide a subsidy for *PACE participants and employees*, which will pay the difference between:

- (x) the rent that the participant can afford to pay (30% of the tenant's income), and
- (y) the applicable restricted rent for the apartment

While the PACE Subsidy varies based on resident need, it is expected on average to equal roughly \$300 /month for 1-bedroom units, and \$360 /month for 2-Bedroom units.

**C. Tenant Mix.** Carlton Views II will consist of 48 mixed-income affordable units, with tenant income limitations for units set at 40% or 60% of AMGI.

**D. Resident Policies.** Fountainhead is committed to creating a safe and clean environment for tenants of Carlton Views II. All applicants must: (i) provide proof of income, (ii) pass a rental history and credit screening, and (iii) pass a criminal background check. Applicants will be declined if they have been convicted of violent crimes, sex crimes, or manufacturing or distribution of drugs. Finally, the apartments will have a "*zero tolerance*" policy and will remove any tenant who poses a threat to other tenants or becomes the larger Carlton Views community.

**E. Apartment Quality And Features.** Fountainhead has found that mixed-income housing works best when there are no differences in the nature and quality of the units being offered due to the tenant's income. For this reason, all of the apartments in the Project, **whether rent restricted or not**, will each share the high aesthetic and quality standards. The quality of the design, finishes, and construction will meet or exceed those of market-rate developments in the area.

Carlton Views II will also embrace the tenets of green design, from energy efficient appliances to environmentally friendly building materials, as well as access to public transportation.

Finally, the units at the Project will incorporate the principles of “**universal design**”, which employ many techniques and features (e.g., no-step entrances, roll-under sinks, widened doors and pathways) to allow the elderly and persons with disabilities to live independently.

#### **IV. LOCAL GOVERNMENT SUPPORT**

The most important partner in any successful Affordable Housing+Services project is local government, which provides strategic leadership and vision along with Financial Support. With the City’s Comprehensive Plan and Housing Policy, it is obvious that Charlottesville has carefully designed a strategy and provided the crucial leadership for nurturing such projects. This vision is clearly and succinctly articulated in the following excerpt from the City’s Housing Policy:

*“ . . . [Charlottesville] must provide sufficient housing options to ensure safe, appealing, environmentally sustainable and affordable.”*

Carlton Views II embodies the objectives contained in Charlottesville’s Housing Policy and Comprehensive Plan, as well as the criteria for issuance of the City’s Housing Grant. The Project will:

- grow affordable housing stock, including workforce housing and mixed-use and mixed income developments; advance goal of 15% supported affordable housing by 2025
- accommodate the housing needs of low-income persons, seniors and those with disabilities; set aside affordable units for those with the greatest need
- promote economic development and job creation in a neighborhood undergoing revitalization
- increase density in an area near employment, transit and services
- incorporate green, sustainable design principles, including energy efficiency 30% better than building code
- incorporate standards that address ‘visit-ability’ and ‘live-ability’
- promote pedestrian/transit-oriented neighborhood design (located less than 0.2 miles from City Bus Stop)
- promote design and build quality that is equal, or even superior, to the City’s market-rate units
- use City funds to support strategic initiatives for affordable and mixed-use housing
- provide substantial leverage of other dollars, in the form of: LIHTC proceeds, PACE subsidy, loan proceeds, and developer capital

**V. REQUESTED ACTION.**

In light of the merits of the Project and Charlottesville’s strategic vision for affordable housing and the care of its elderly and disabled citizens, Fountainhead requests the City lend its support to Carlton Views II by providing (i) a grant in the amount of \$1,440,000 (\$30,000 per affordable unit) from the Charlottesville Housing Fund, (ii) LIHTC Support Letter, and (iii) a “Revitalization Area” Certification.

**PROJECT USES**

<b>Acquisition</b>	\$1,008,000
<b>Hard Costs</b>	\$6,789,401
<b>Soft Costs</b>	\$2,583,384
<b>Total Project Uses</b>	<b>\$10,380,785</b>

**PROJECT SOURCES**

<b>DHCD HOME Loan</b>	\$500,000
<b>VHDA SPARC</b>	\$1,800,000
<b>VHDA Taxable</b>	\$200,000
<b>Fountainhead Development</b>	\$236,995
<b>LIHTC Proceeds</b>	\$6,203,790
<b>CHTF Grant</b>	\$1,440,000
<b>Total Project Sources</b>	<b>\$10,380,785</b>

# COMMUNITY SERVICES HOUSING, INC.

## CHARLOTTESVILLE AFFORDABLE HOUSING FUND - PROPOSAL

June 2, 2017

### OVERVIEW

#### 1. General Information

Applying Entity: Community Services Housing, Inc.

Location: Charlottesville, VA

Mailing Address: 1001 E. Market Street, Suite 102, Charlottesville, VA 22902

Director: Jennifer Fitzgerald

Telephone: 434-978-2007

Fax: 434-978-2136

Email: [jenfitz.csh@gmail.com](mailto:jenfitz.csh@gmail.com)

#### 2. Organizational History

Year founded: 1991

Year Incorporated as a Non-Profit: 1991

Federal ID #: 54-1578644

Number of Paid Staff: 3

Our Mission: To provide clean, safe, affordable housing for people with disabilities

Please see Attachment A for the current roster of the Board of Directors.

Please see Attachment B for the Articles of Incorporation and the By-Laws.

### 3. Project Request

Community Services Housing, Inc., is substantially rehabilitating 35 rental units in 4 properties along the Carlton Avenue corridor of the Belmont neighborhood. We are requesting \$612,500 from the City of Charlottesville to help fund the acquisition and rehabilitation of the project. The request represents \$17,500 per affordable unit. As a part of a \$5.6 million redevelopment effort, the City grant will be leveraged with other state and federal funding sources over 10X.

### 4. Project Narrative

#### A. Project Name

Carlton Neighborhood Housing

#### B. Locations

Locations: 1200, 1210, and 1310 Carlton Avenue; 301 Carlton Road

Please see Attachment C for a map of the locations of the properties included in this project.

Please see Attachment D for a listing and map of the all other locations owned/managed by Community Services Housing, Inc. that are *not* included in this project.

#### C. Detailed Project Description

Through its Accessible Supportive Housing pool, VHDA has awarded Low Income Housing Tax Credits for the Carlton Neighborhood Housing project for the substantial rehabilitation of 35 apartments targeted primarily for Region Ten consumers. These apartments have served Region Ten consumers and other people in the Charlottesville community for years but are in need of reinvestment. The four properties are

located near central Charlottesville along Carlton Avenue and its intersection with Carlton Road. Community Services Housing, Inc., a Charlottesville-based nonprofit, currently owns these properties subject to existing VHDA mortgages.

The Accessible Supportive Housing pool provides tax credit equity to projects statewide providing at least 25% of its units to disabled residents earning under 40% AMI. In addition, at least 25% of all units must meet UFAS standards for accessibility and meet VHDA guidelines governing Universal Design.

The properties are as follows:

- 1200 Carlton Ave (built 24 years ago; owned and operated by CSH for 12 years)
- 1210 Carlton Ave (built by CSH 17 years ago; owned and operated by CSH since that time)
- 1310 Carlton Ave (built 18 years ago; owned and operated by CSH for 15 years)
- 301 Carlton Rd (built 28 years ago; owned and operated by CSH for 23 years)

This project will preserve 35 units of affordable supportive housing with CSH providing the housing and Region Ten providing or coordinating services for the residents. Region Ten has entered into a memorandum of understanding to arrange for housing subsidies and ongoing services for this project. The properties currently include several offices for Region Ten staff, and the rehabilitation will provide Region Ten staff with additional office space and conference areas for staff-consumer meetings.

Please see Attachment E, the Memorandum of Understanding (MOU) with Region Ten.

#### **D. How This Project Benefits the City of Charlottesville**

Community Services Housing, Inc., is a Charlottesville-based non-profit with a strong 26-year history of providing affordable supportive housing throughout the City. We have 135 rental units located in scattered sites in the Belmont, Fifeville, Woolen Mills and Locust Grove neighborhoods. We develop, own, and operate housing for Charlottesville citizens who are living with disabling conditions and who have multiple barriers to typical independent living. We accept Rapid Rehousing funds, Permanent Supportive Housing vouchers, Housing Choice Vouchers, HUD-Veterans Affairs Supportive Housing (VASH) vouchers, and Discharge Assistance Program (DAP) funding. We regularly collaborate with Region Ten and The Haven, and have a representative from each on our board.



Community Services Housing uses the Low Income Housing Tax Credit (LIHTC) program, along with other state and federal funding sources, to develop and operate quality housing products that ensure that we can provide the City with a long-term availability of energy-efficient affordable housing units. We have previously worked with VHDA and VCDC to develop two LIHTC projects – The Mews on Little High Street, a 40-unit apartment complex developed in 2007, and Short 18<sup>th</sup> Street Housing, which features six duplexes that originated as Region Ten program housing in 2010.

The Carlton Neighborhood Housing project will seek EarthCraft Gold certification, utilizing Energy Star appliances, water-saving fixtures, and energy-efficient HVACs and water heaters. The EarthCraft Gold certification will mean substantial energy conservation and a reduction in housing costs for our residents in these units. In addition, the new roofs, gutters, windows, doors, decking and any necessary site work will improve the exterior aesthetics at these four properties, will help them to better blend with the surrounding neighborhood, and will make them more visually similar to market-rate units in the city.

The 35 units will be designated for people earning no more than 40%, 50% or 60% of the area median income. (In fact, the average annual income of our residents already living in these units is approximately \$9,000.) The units are located in close proximity to public transportation, and residents are able to walk, bus or bike to the downtown mall as well as to places of employment, local parks, trails, and public amenities. The rehabilitation of these 35 housing units will convert nine of the units (26%) to meet Uniform Federal Accessibility Standards, with 15 of the units (43%) meeting VHDA's Universal Design Standards.

By funding the new Carlton Neighborhood Housing Project, the City of Charlottesville will be joining forces with VHDA and VCDC to enable Community Services Housing, Inc., to rehabilitate vital affordable housing stock located along a prominent corridor in Belmont, and by doing this through the LIHTC program, the City will help ensure that these units remain affordable under an Extended Use Agreement for the next 30 years. Additionally, the completion of the Carlton Neighborhood Housing Project will mean that Community Services Housing, Inc., can significantly reposition itself financially by substantially decreasing both accumulated depreciation and operations and maintenance expenses. This will allow us to turn our

attention to improving our other older properties and to growing our portfolio of affordable permanent supportive housing within the City of Charlottesville.

Please see Attachment F for the correlation between the Carlton Neighborhood Housing Project and the City of Charlottesville's Comprehensive Plan Housing Goals.

#### **E. How This Project Directly Benefits Low-Income Charlottesville Residents**

Community Services Housing, Inc., and its affiliates currently house 147 Charlottesville residents. Each household has at least one person who is living with a disabling condition and who has barriers to typical housing. Many of these residents have a history of homelessness or near-homelessness. This project will make it possible for us to continue to improve and increase our affordable supportive housing portfolio.

Community Services Housing, Inc., exists to provide long-term supportive housing for low-income residents of our community. The four properties in the Carlton Neighborhood Housing project currently house 38 people, with a tenancy length averaging 3 years. 26% of the residents in the Carlton Neighborhood Housing properties have lived in their current units for at least 5 years. 37% of the households currently receive DAP funding, 32% have Housing Choice Vouchers, 11% have Permanent Supportive Housing vouchers, 11% are veterans who have VASH vouchers, 6% receive no rental assistance, and 3% receive funding through a City grant. Region Ten services are available to all residents. Two of the buildings contain Region Ten staff offices and house specific Region Ten programs providing 24/7 staff support for extremely low income, disabled residents living with serious mental illness.

The LIHTC program will ensure that the 35 rental units in the Carlton Neighborhood Housing Project will be preserved for the next 30 years as quality affordable housing located along a corridor of Belmont that is accessible to bus- and bike-riders and pedestrians and is convenient to healthy options and public amenities. After the units are rehabilitated, 26% of them will meet Uniform Federal Accessibility Standards, with 43% of them meeting VHDA's Universal Design Standards. The units will be extremely energy efficient, with EarthCraft Gold certification, reducing housing costs for the residents and conserving energy. Units will be earmarked for residents at or below 40%, 50% and 60% of the area median income.

Please see Attachment G, the Permanent Supportive Housing Certification we provided to VHDA as part of our application for the tax credits.

## **5. Management Capacity**

### **A. Experience Operating Similar Projects**

Community Services Housing, Inc., is designated as a VHDA Certified Management Agent. We have previously developed two other projects, The Mews on Little High Street and Short 18<sup>th</sup> Street Housing. Located off of 11<sup>th</sup> Street NE between Little High Street and High Street, The Mews is a thriving 40-unit apartment community that was developed by Community Services Housing, Inc. and placed in service in 2007. Community Services Housing, Inc. acquired and rehabilitated six duplexes on Short 18<sup>th</sup> Street using LIHTC funding. These buildings were placed in service in 2011.

Additionally, we rehabilitated and have operated four group home properties on Monticello Road, Grady Avenue, Spruce Street, and Carlton Avenue, under the HUD PRAC 811 program. In 2015, HUD performed intensive REAC physical inspections on these properties, yielding scores of 86%, 91%, 97%, and 92%, respectively. And Community Services Housing, Inc., owns and operates an additional 62 units (including the 35 units in the new Carlton Neighborhood Housing project), under 5 conventional mortgage loans through VHDA. These have all been owned and operated successfully for more than 10 years.

Please see Attachment H, the VHDA Certified Management Agent listing.

### **B. Management Systems**

Community Services Housing, Inc., has operated in Charlottesville since its inception in 1991. We have a strong internal infrastructure with policies and procedures carried out routinely by our staff. Our policies and procedures, tenant files, rent rolls, financial records, and facilities are routinely reviewed by VHDA, HUD, and the Virginia Community Development Corporation. Two of our properties are also monitored by DHCD due to the inclusion of HOME funding in these properties.

### **C. Development Team**

James P. Cox III is the president of Community Services Housing, Inc. Jim is a real estate attorney at Michie Hamlett, where he has been practicing law since 1983. He is the current Chairman of the Real Estate Committee of the Charlottesville Albemarle Bar Association, and received a B.A. summa cum laude from Duke and a J.D. from the University of Virginia School of Law.

Jennifer L. G. Fitzgerald is the director of Community Services Housing, Inc. Jennifer has worked for the organization since 2001, and has been certified by the National Association of Home Builders as an LIHTC Housing Credit Certified Professional since 2014. She holds Psychology and English degrees from Virginia Tech.

Kevin Wood serves on the Community Services Housing board of directors. Kevin is the Principal Development Consultant with Housing in the Public Interest, and previously served for 9 years as Director of Multifamily Projects for Piedmont Housing Alliance. He earned a Political Science and Government degree from the University of Virginia, where he was a member of Phi Beta Kappa, and was both an Echols Scholar and a Westmoreland Davis Scholar.

Chris Sterling is the Chief Development Officer at Virginia Community Development Corporation where he has worked since 2002 to develop LIHTC housing. Chris is a member of the American Institute of Certified Planners, has an M.U.R.P. from VCU with an Urban Revitalization concentration, and holds an Accounting degree with a minor in Religion from William and Mary.

Richard Funk, Jr., Jrt, AIA, is the vice president of dBF Associates, Architects. Rick has been employed by the firm since 1982 and was made partner in 1989. He has developed expertise in many key project areas including multifamily housing projects. He graduated from Virginia Tech with a degree in Architecture.

### **D. Established Timeline for Project Implementation**

Please see Attachment I for the proposed timeline for Carlton Neighborhood Housing.

## 6. Financial Information

### A. Project Budget

Please see Attachment J for the proposed budget for the Carlton Neighborhood Housing Project.

### B. Leveraging

The Carlton Neighborhood Housing project was awarded tax credits by VHDA through the Accessible Supportive Housing Pool. Project sources will include over \$3.5 million in Low Income Housing Tax Credits, \$1.8 million in permanent loans from VHDA and DHCD and a requested \$612,500 from the Charlottesville Affordable Housing Fund for the project. The CHF grant will provide critical gap financing for the project and will be leveraged over 10X through other state and federal sources.

### C. Previous Funding by the City of Charlottesville

Community Services Housing, Inc., has never previously been funded by the Charlottesville Affordable Housing Fund. We are submitting our first request after 26 years of developing, owning and operating affordable housing for people living with disabilities in Charlottesville, and the request is to help us preserve 35 units in the City as long-term affordable housing.

## 7. Schedule of Attachments

Attachment A: CSH Board of Directors Roster

Attachment B: CSH Articles of Incorporation and By-Laws

Attachment C: Map of locations in the Carlton Neighborhood Housing Project

Attachment D: Map of locations operated by CSH that are *not* part of the Carlton Neighborhood Housing Project

Attachment E: Memorandum of Understanding with Region Ten

Attachment F: Carlton Neighborhood Housing and City Housing Goals

Attachment G: Permanent Supportive Housing Certification

Attachment H: VHDA Certified Management Agent Listing

Attachment I: Proposed Timeline for Carlton Neighborhood Housing project

Attachment J: Proposed Budget for Carlton Neighborhood Housing project

Board Roster for Community Services Housing, Inc.

James P. Cox III, Esq.  
500 Court Square #300  
Charlottesville, VA 22902  
Length of time on board: 26 years  
Occupation: Attorney

Jennifer L. G. Fitzgerald  
1595 Robin Lane  
Charlottesville, VA 22911  
Length of time on board: 16 years  
Occupation: Operations Manager

Rita Shelton  
719 Pine Street  
Charlottesville, VA 22903  
Length of time on board: 11 years  
Occupation: Retired (and is our longstanding Resident Representative on the Board)

Kevin Wood  
905 Avon Street  
Charlottesville, VA 22902  
Length of time on board: 2 years  
Occupation: Developer

Owen Brennan  
112 W. Market Street  
Charlottesville, VA 22902  
Length of time on board: 9 months  
Occupation: Director of Operations at The Haven

Paul Kent  
2207 Dominion Drive  
Charlottesville, VA 22901  
Length of time on board: 1 year  
Occupation: Program Manager of Housing for Region Ten CSB



BYLAWS  
OF  
COMMUNITY SERVICES HOUSING, INC.

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BYLAWS  
OF  
COMMUNITY SERVICES HOUSING, INC.  
(the "Corporation")

The corporation is organized and operated exclusively for charitable and educational purposes, as contemplated by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, without pecuniary gain or profit to its directors or officers or to any private individual.

ARTICLE I. OFFICES

Section 1.01. Registered Office. The registered office of the Corporation shall be at such address in Virginia as the Board of Directors may from time to time determine.

ARTICLE II. MEMBERSHIP

Section 2.01. No Membership. The Corporation shall have no members.

ARTICLE III. BOARD OF DIRECTORS

Section 3.01. General Powers. The affairs of the corporation shall be managed by a board of directors and all corporate powers shall be exercised by the Board of Directors, except as otherwise expressly required by law, the Articles of Incorporation, or these Bylaws.

Section 3.02. Number, Qualifications and Term of Office. The number of directors of the corporation shall be five. The initial directors shall be elected by the incorporator and thereafter directors shall be elected at the annual meeting of the Board of Directors.

Section 3.03 Organization. At each meeting of the Board of Directors, the President, or, in his absence, a director chosen by the majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, a person appointed by the director presiding, shall act as secretary of the meeting.

Section 3.04. Place of Meeting. The Board of Directors may hold its meetings at such place or places within the City of Charlottesville or the County of Albemarle, Virginia, as the Board of Directors may from time to time determine, or (unless contrary to a resolution of the Board of Directors), at such place as shall be specified in the notice of the meeting.

Section 3.05. Annual Meeting. The annual meeting of the Board of Directors, for the purposes of receiving a report from the officers on the activities of the corporation during the preceding year, electing officers and directors for the ensuing year, and acting on such other matters as may properly come before the meeting, shall be held on call of the President, at such time and place during the month of March in each year as may be designated by the President in the notice of such meeting.

Section 3.06. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may be fixed by action of the Board of Directors. Unless required by resolution of the Board of Directors, notice of any regular meeting need not be given.

Section 3.07. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President, or by any two or more directors, or, at the direction of any of the foregoing, by the Secretary. Notice of each such meeting shall be mailed to each director at his residence or usual place of business, at least three days before the date on which the meeting is to be held; or such notice shall be delivered to each director personally or by telephone not later than twenty-four hours before the time at which the meeting is to be held. Every such notice shall state the place, day and time of the meeting, but need not state the purposes for which the meeting is called unless otherwise required by law, the Articles of Incorporation or these Bylaws. Notice of any adjourned or recessed meeting of the Board of Directors need not be given.

Section 3.08. Waivers of Notice of Meetings. Anything in these Bylaws or in any resolution adopted by the Board of Directors to the contrary notwithstanding, proper notice of any meeting of the Board of Directors shall be deemed to have been given to any director if such notice shall be waived by him in writing before or after the meeting. A director who attends a meeting shall be deemed to have had timely and proper notice thereof, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3.09. Quorum and Manner of Acting. A majority of the number of directors as fixed by these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is required by law, the Articles of Incorporation or these Bylaws. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum is obtained. The Board of Directors shall act only as body and the individual directors shall have no power as such.

Section 3.10. Resignations. Any director of the Corporation may resign at any time, orally or in writing, by notifying the President or the Secretary of the Corporation. Such resignation shall take effect at the time therein specified; and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.11. Vacancies. Any vacancy in the Board of Directors, caused by death, resignation, removal, disqualification, or any other cause, may be filled for the unexpired term by the majority vote of the remaining directors then in office, though less than a quorum, at any regular or special meeting of the Board of Directors.

Section 3.12. Action by Board of Directors Without a Meeting. Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed before such action by all of the directors. Such consent shall have the same force and effect as an unanimous vote.

#### ARTICLE IV. OFFICERS

Section 4.01. Officers. The officers of the Corporation shall be a President, Vice-President, a Secretary and a Treasurer. Any two elective offices may be held by the same person, except the offices of President and Secretary.

Section 4.02. Election, Term of Office and Qualifications. The officers shall be elected annually by the election of directors in each year. Each officers shall hold office until his successor shall have been duly elected, or until his sooner death, resignation or removal. The President shall be chosen from among the directors, but no other officer need be a director.

Section 4.03. President. The President shall preside at all meetings of the corporation and the Board of Directors; shall cause to be called the annual meeting and such special meetings as he may deem desirable; shall make an annual report to the Board of Directors at the annual meeting; shall sign all contracts, notes, and other official documents of the Corporation; and shall, in general, supervise and control the affairs of the Corporation and perform all duties incident to the office of President, subject to the control of the Board of Directors.

Section 4.04. Vice-President. During the absence or incapacity of the President, the Vice-President shall perform the duties of the President, and, when so acting, shall have all the powers and be subject to all the responsibilities of the office of President.

Section 4.05. Secretary. The Secretary shall keep the

minutes of all meetings of the Corporation and the Board of Directors; shall attend to giving notice of all meetings; shall be custodian of the minute book; and shall, in general, perform all the duties incident to the office of Secretary.

Section 4.06. Treasurer. The Treasurer shall have care and custody of and be responsible for all funds and securities of the Corporation in such banks as the Board of Directors shall direct; shall sign all checks of the Corporation and pay out such funds as the President or Board of Directors may direct; and shall maintain books of account of the financial affairs of the Corporation; shall render a full report on the financial condition of the Corporation at the annual meeting and at such other times as may be required by the Board of Directors; and, shall, in general, perform the duties incident to the office of Treasurer.

Section 4.07. Resignations. Any officer may resign at any time by delivering a written resignation to the President or Secretary, and, unless the resignation specifies otherwise, it shall be effective upon receipt.

Section 4.08. Removal. Any officer may be removed for failure to perform the duties of his office or for misconduct which brings discredit upon this corporation upon the vote of a majority of the directors present at a meeting called expressly for that purpose at which a quorum is present after at least ten days prior written notice of the proposed action to the officer to be removed.

Section 4.09. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term by the Board of Directors.

#### ARTICLE V. COMMITTEES

Section 5.01. Committees. The President with the approval of the Board of Directors shall establish such other committees as he deems appropriate to fulfill the objectives and purposes of the corporation.

Section 5.02. Manner of Acting. All committee chairpersons and members shall be appointed or replaced by the President, and the President shall be an ex-officio member of all committees. The appointment of any person as chairperson or member of a committee shall terminate upon the appointment of a successor, or upon his sooner death, resignation or removal. A majority of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the committee. Members of any such committee shall act only as a committee and the individual members shall have no power as such.

ARTICLE IV. CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 6.01. Execution of Contracts and other Documents. The Board of Directors, except as by law or by these Bylaws otherwise required, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to enter into any contract or execute any deed or other instrument, and any such authority may be general or confined to specific instances.

Section 6.03. Checks, Drafts, Etc. All checks, drafts, and other orders for payment of money out of the funds of the Corporation shall be signed on behalf of the Corporation by the Treasurer or by such other persons as shall from time to time be determined by the Board of Directors.

Section 6.04. Deposits. The funds of the corporation not otherwise employed shall be deposited to the order of the Corporation in such banks, savings and loan associations, or other depositories as the Board of Directors may from time to time select.

ARTICLE VII. MISCELLANEOUS

Section 7.01. Seal. The corporate seal shall contain the name of the corporation, the year of its creation, and the words "Corporate Seal, Virginia", and shall be in such form as may be approved by the Board of Directors.

Section 7.02. Fiscal Year. The fiscal year of the corporation shall end on the last day of December in each year.

Section 7.03. Acceptance of Gifts, Donations, Etc. Any gift, donation or bequest to the Corporation shall be deemed to have been accepted only when acted upon affirmatively by the Board of Directors.

ARTICLE VIII. AMENDMENTS

Section 8.01. By the Board of Directors. The Board of Directors may alter, amend or repeal these Bylaws at any meeting of the Board by a majority vote of the directors present at the meeting.

ARTICLES OF INCORPORATION  
OF  
COMMUNITY SERVICES HOUSING, INC.

The undersigned incorporator hereby forms a corporation under the provisions of the Virginia Nonstock Corporation Act and to that end sets forth the following:

Article I. Name. The name of the corporation is Community Services Housing, Inc.

Article II. Purposes. A. The purposes for which the Corporation is formed are exclusively charitable and educational, as contemplated by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (all references herein to such section or other sections of such Code include the corresponding provisions of any future United States Internal Revenue law). More particularly, the Corporation is organized and shall at all times be operated:

(i) Generally, to assist Region Ten Community Services Board, an agency formed pursuant to Section 37.1-194 et seq., of the Code of Virginia of 1950, as amended, in carrying out its purposes and duties, including, but not limited to establishing, maintaining, and promoting the development of mental health, mental retardation and substance abuses services in the City of Charlottesville and the Counties of Albemarle, Fluvanna, Greene, Louisa and Nelson, Virginia;

(ii) To purchase, develop, lease, or otherwise obtain or provide real property necessary for Region Ten Community Services Board to carry out the Corporation's duties, purposes, and functions;

(iii) To apply for grants, loans, financing or other funds available from federal, state, local or private sources to carry out the Corporation's purposes and to secure any such funding by granting security in any interest in real property of the Corporation; and

(iv) To do any and all lawful acts and things which may be necessary or proper for the furtherance or accomplishment of the purposes and powers of the Corporation and to exercise all powers possessed by Virginia corporations of similar character.

B. The Corporation shall not engage in any regular business of a kind ordinarily carried on for profit and no part of its net earnings shall inure to the benefit of any director, or officer of the Corporation, or to any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation). No substantial part of the activities of

the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

C. Notwithstanding any other provisions of these Articles, the Corporation shall not conduct any activities not permitted to be conducted by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or by a corporation, contributions to which are deductible under Sections 170(a), 2055(a) and 2522(a) of the Internal Revenue Code of 1986.

Article III. No Members. The Corporation shall have no members.

Article IV. Election of Directors. The affairs of the Corporation shall be managed by the Board of Directors. The initial directors shall be elected by the incorporator and thereafter directors shall be elected at the annual meeting of the Board of Directors.

Article V. Registered Office and Agent. The initial registered office is established at 500 Court Square, Suite 300, P.O. Box 298, Charlottesville, Virginia 22902-0298, in the City of Charlottesville, Virginia. The initial registered agent is James P. Cox, III, who is a resident of Virginia, is a member of the Virginia State Bar and whose business address is the address of the initial registered office of the Corporation.

Article VI. Regulation of Internal Affairs. The following provisions are inserted for the conduct of the affairs of the Corporation and for the further definition, limitation and regulation of the powers of the Corporation and its Board of Directors.

A. Liquidation. In the event of the liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary, involuntary, or by operation of law, any disposition made of the assets of the Corporation shall be such as would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986.

Article VII. Indemnification.

A. To the full extent permitted and in the manner prescribed by the Virginia Nonstock Corporation Act and any other applicable law, the Corporation shall indemnify a Director or officer of the Corporation who is or was a party to any proceeding by reason of the fact that he is or was such a Director or officer or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other



enterprise. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested Directors, to contract in advance to indemnify any Director or officer.

B. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested Directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in Section A of this Article who was or is a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section A.

C. The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by any such person in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

D. In the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to Section A of this Article VII shall be made by special legal counsel agreed upon by the Board of Directors and the proposed indemnitee. If the Board of Directors and the proposed indemnitee are unable to agree upon such legal counsel, the Board of Directors and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

E. The provisions of this Article VII shall be applicable to all actions, claims, suits or proceedings commenced after the date hereof, whether arising from any action taken or failure to act before or after such date. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification or repeal.

F. Reference herein to Directors, officers, employees or agents shall include former Directors, officers, employees and agents and their respective heirs, executors and administrators.

Article VIII. Limitation of Liability. To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, a Director or officer of the Corporation shall not be liable to the Corporation for monetary damages.

Dated:

January 29, 1991

James P. Cox, III  
James P. Cox, III, Incorporator

# Commonwealth of Virginia



## State Corporation Commission

*I Certify the Following from the Records of the Commission:*

The foregoing is a true copy of all documents constituting the charter of COMMUNITY SERVICES HOUSING, INC. on file in the Clerk's Office of the Commission.

Nothing more is hereby certified.



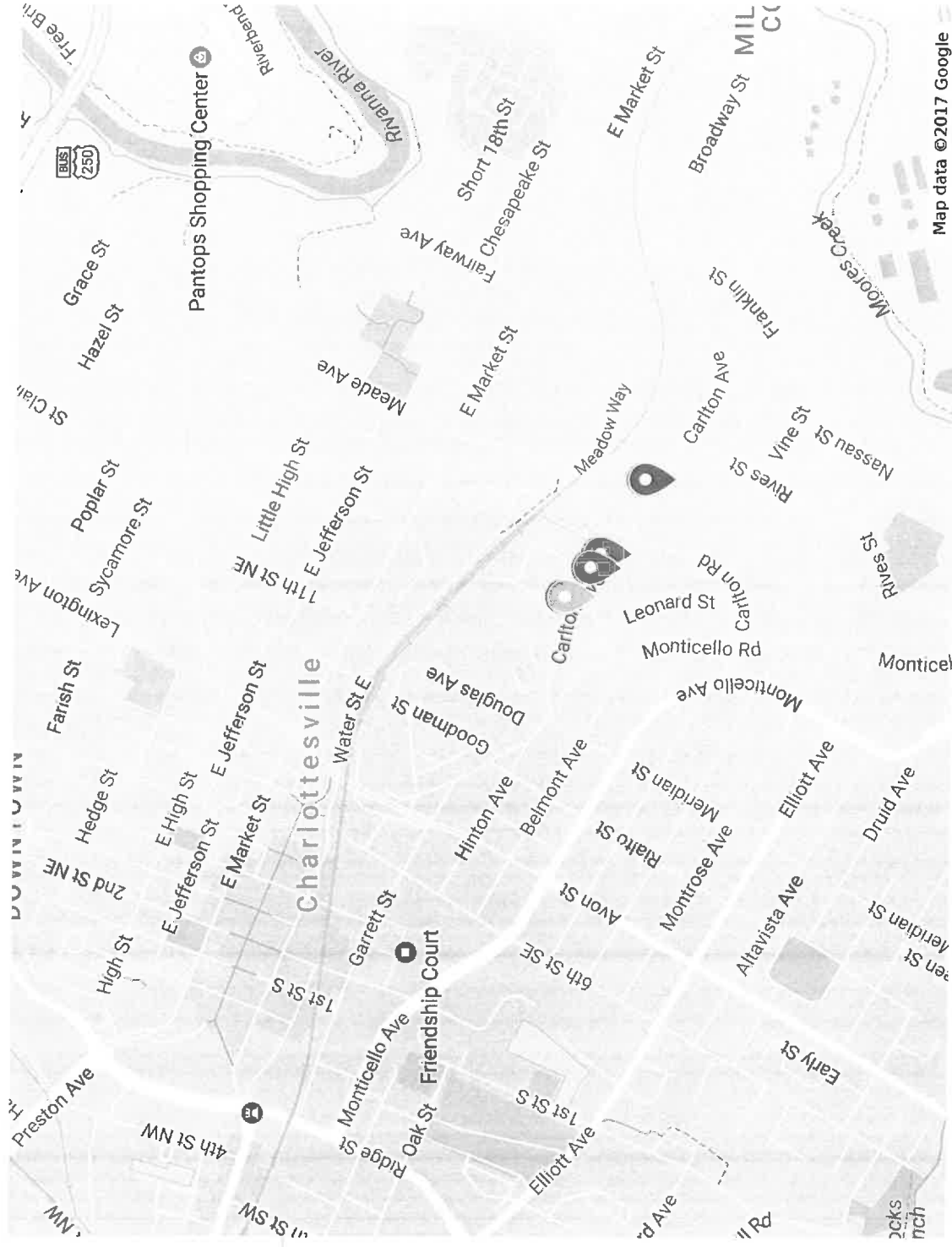
*Signed and Sealed at Richmond on this Date:  
April 1, 2005*

*Joel H. Peck*  
Joel H. Peck, Clerk of the Commission

# Carlton Neighborhood Housing

Four Properties Included in CNH Project

- 301 Carlton Rd
- 1200 Carlton Ave
- 1210 Carlton Ave
- 1310 Carlton Ave

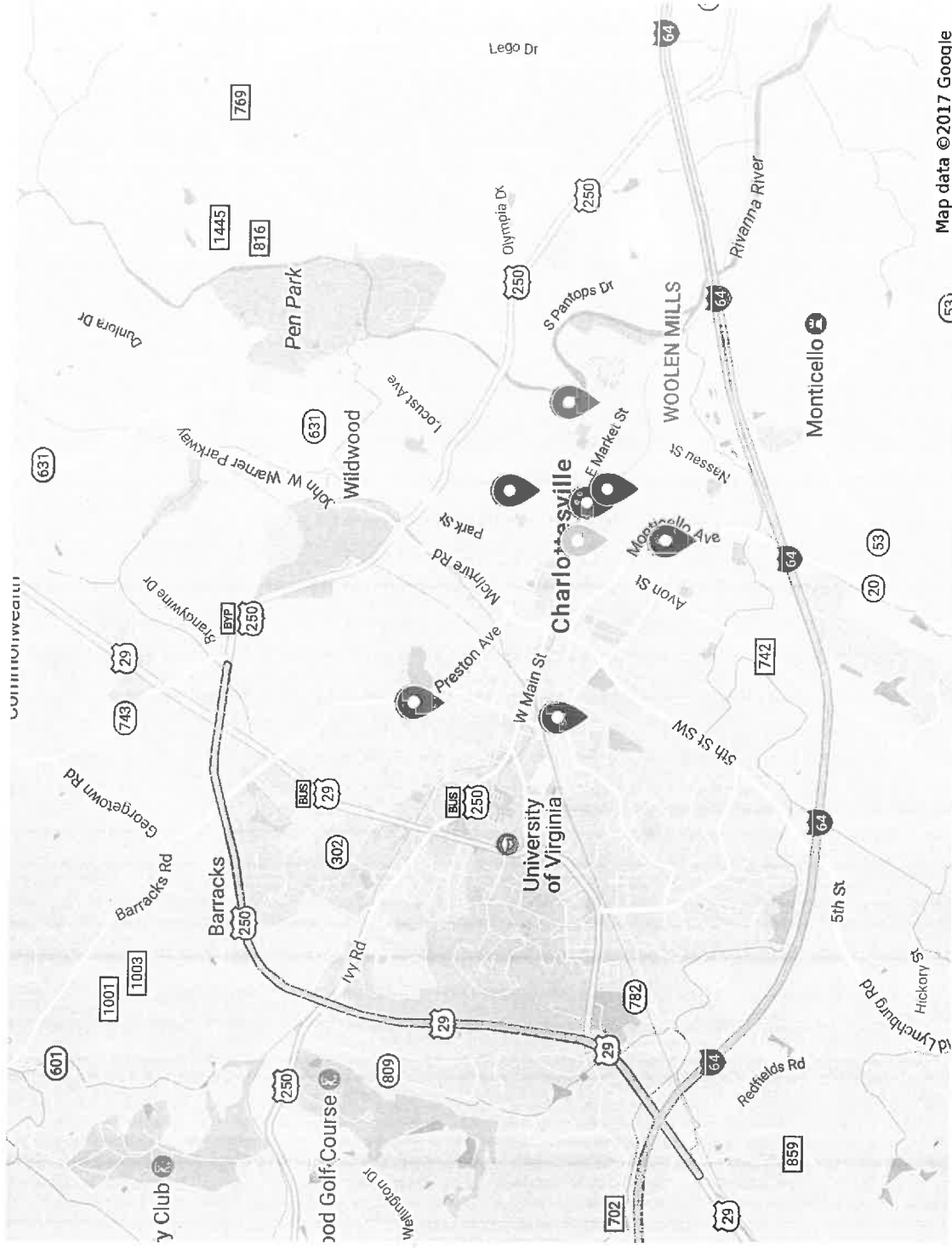




# Community Services Housing

## Non-CNH Properties

- 📍 The Mews (40 Units)
- 📍 Short 18th (12 units)
- 📍 402 Monticello Rd (4 units)
- 📍 1012 Grady Ave (4 units)
- 📍 309 Spruce St (4 units)
- 📍 1212 Carlfon Ave (4 units)
- 📍 1013 Altavista Ave (4 units)
- 📍 Pine Housing (18 units)





**MEMORANDUM OF UNDERSTANDING**

*Between*

**Carlton Neighborhood Housing LLC**

*And*

**Community Services Housing, Inc.**

*And*

**Region Ten Community Services Board**

WHEREAS, Carlton Neighborhood Housing LLC, a Virginia limited liability company (the "LLC"), is acquiring and will rehabilitate and own thirty-five (35) apartment units in Charlottesville, Virginia known as Carlton Neighborhood Housing (the "Project"), including all of the apartments at the following addresses: 1210 Carlton Avenue, 1310 Carlton Avenue, 1200 Carlton Avenue, and 301 Carlton Road; and,

WHEREAS, funding for the rehabilitation of the Project will be provided by Virginia Housing Development Authority through Federal Low-Income Housing Tax Credits (with an investment through Virginia Community Development Corporation's equity funds) and permanent loan financing, by the Virginia Department of Housing and Community Development permanent financing sources, and local and private funding to be secured by Community Services Housing, Inc.; and,

WHEREAS, the LLC intends to reserve ten (10) apartments for households at or below 40% area median income and nine (9) apartments with accessibility improvements consistent with Section 504 requirements in order to secure Low-Income Housing Tax Credits but all thirty-five (35) units in the Project (the "Targeted Units") will be provided as affordable housing for individuals with mental and physical disabilities; and,

WHEREAS, Community Services Housing, Inc., a Virginia nonstock corporation ("CSH"), will provide leasing and property management services under a management agreement with LLC and CSH will serve as Managing Member for the LLC with responsibility for its day-to-day affairs; and,

WHEREAS, Region Ten Community Services Board ("Region Ten") seeks to preserve and improve affordable housing opportunities for people with disabilities in the communities that it serves; and,

THEREFORE, BE IT RESOLVED, THAT the LLC, CSH, and Region Ten agree to the following in connection with providing at least thirty-five (35) apartment units at the Project for people with disabilities.

**1. The LLC shall:**

- A. Secure construction and permanent financing to develop the project, including at least \$3,131,000 in equity based on the availability of Low-Income Housing Tax Credits to the project, an estimated \$1,700,000 from VHDA loan sources, approximately \$500,000 in funding through Virginia DHCD, and loans from CSH.



- B. Execute an Extended Use Agreement with Virginia Housing Development Authority to ensure compliance with income and rent targeting per an application for Low-Income Housing Tax Credits among other commitments.
- C. Execute other documentation from permanent lenders and other funders committing to income and rent targeting.
- D. Assure that the arrangements outlined in this Memorandum of Understanding are maintained throughout the life of this agreement.

**2. Region Ten shall:**

- A. Pre-screen applicants to assure that applicants referred to CSH for tenancy in the Targeted Units:
  - i. Have a qualifying disability.
  - ii. Have sufficient income and/or resources to cover rent, utilities, and reasonable living expenses (given the subsidy from Region Ten).
  - iii. Have supportive services needs that can reasonably be expected to be met by services provided, coordinated, or available through referral by Region Ten.
  - iv. Have signed privacy release such that Region Ten caseworkers can discuss consumer's/tenant's case with CSH personnel.
- B. For the duration of this Memorandum of Understanding, refer applicants to CSH and maintain an agency Wait List that assures timely referral and occupancy by eligible tenants.
- C. Assist the referred applicants in the application process including requesting and negotiating reasonable accommodations, as applicable.
- D. Make the menu of supportive services (attached as Appendix A to this agreement) available to the tenants. It is understood and agreed that these services shall be available to said tenants on an as-needed basis, and that receipt of these or any other services shall NOT be a condition of tenancy.
- E. Subject to Section 3(F) below, Region Ten will make housing subsidies available for at least 13 of the Targeted Units during the term of this agreement, and will assure that such subsidies are managed and paid in a timely manner, although all 35 of the Targeted Units will be made available to Region Ten clients. Forms of housing subsidies may include Housing Choice Vouchers, Permanent Supportive Housing Vouchers, Discharge Assistance Program grants, and other subsidy sources that may be made available.
- F. Have the consumer/tenant or case manager give CSH notice to vacate prior to the tenant moving out (in accordance with Lease terms). The consumer/tenant or case manager will also notify CSH in the event of any hospital stays that require absence from the property.
- G. Facilitate communication with CSH by designating, and maintaining in the event of staff turnover, a named individual as the primary contact on matters related to the Targeted Units.

**3. CSH shall:**

- A. Affirmatively market the property to persons with disabilities.
- B. Notify Region Ten of available vacancies at least 60 days in advance when possible and, in all cases, notify Region Ten in no fewer days than the number of days of notice that the tenant is required by applicable to give to CSH of the tenant's intent to vacate.
- C. Evaluate on a priority-basis referrals for tenancy in individual Carlton Neighborhood Housing rental apartments through the Region Ten Housing Resource Coordinator, to the extent allowed by tax credit and fair housing requirements, except in cases where funding authorities require that screening, admission, and wait list responsibilities be managed by CSH.
- D. Complete all required low-income housing tax credit compliance documentation including applications, leases, and income verifications and ensure that project remains compliant with LIHTC regulations.
- E. Include language on reasonable accommodations on its application for tenancy.
- F. Accept Section 8 Vouchers, or other forms of rental assistance (including Region Ten subsidy), to the extent that the tenant and the proposed rent to be charged would meet the income and rent restrictions for tenants. The Project will target 10 units for households with incomes at or below 40% AMI, 9 apartments for households with incomes at or below 50% AMI, and 16 apartments for households at or below 60% AMI.
- G. Conduct annual inspections of all Targeted Units, or as required by VHDA and the other members of the LLC ownership.
- H. Facilitate communication with Region Ten by designating, and maintaining in the event of staff turnover, a named individual as the primary contact on matters related to the Targeted Units.
- I. Prepare a unit rent schedule (attached as Appendix B) on an annual basis and submit to the other parties to the Agreement.

**4. General Conditions of the Agreement:**

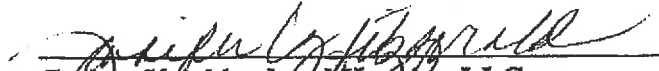
- A. Nothing in the Agreement shall be construed as authority for either party to make commitments which will bind the other party beyond the scope of the services described herein. Neither party shall assign, sublet, or subcontract any work related to this agreement or any interest it may have herein without the prior written consent of all parties to the Agreement.
- B. The LLC and CSH assure that information and data obtained as to personal facts and circumstances related to tenants referred by Region Ten will be collected and secured as confidential during, and following, the term of this Agreement and will not be divulged without the individual's and Region Ten's written consent, other than information divulged to partners of the LLC and to VHDA. Any information to be disclosed or reported must be in summary, statistical or other form which does not identify particular individuals, except as provided above.
- C. Modification of Agreement: Any and all modifications to this Agreement shall be in writing and signed by all parties to the Agreement.

**5. All parties to this Memorandum of Understanding shall:**

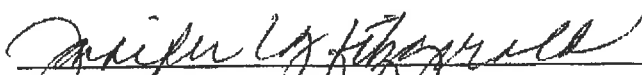
- A. Agree that the LLC and CSH are responsible for meeting compliance requirements established by the Internal Revenue Service and the Virginia Housing Development Authority.
- B. Agree that the LLC and CSH are responsible for maintaining the development for the benefit of all the tenants.
- C. Agree that the provisions and the spirit of this agreement notwithstanding, decisions on the admittance and/or retention of tenants according to fair housing laws and the Virginia Landlord Tenant Act are the responsibility of CSH.
- D. Agree that this Agreement shall be in effect for fifteen (15) years from the date hereof.

[Signatures Continued on Following Page]

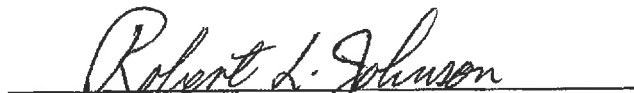
Signed:

  
\_\_\_\_\_  
**Carlton Neighborhood Housing LLC**  
By: Community Services Housing, Inc.  
Its sole Member  
By: Jennifer Fitzgerald  
Its: Operations Manager

7-27-16  
Date

  
\_\_\_\_\_  
**Community Services Housing, Inc.**  
By: Jennifer Fitzgerald  
Its: Operations Manager

7-27-16  
Date

  
\_\_\_\_\_  
**Region Ten Community Services Board**

7-28-16  
Date

By: Robert L. Johnson  
Its: Executive Director



# **Correlation between Carlton Neighborhood Housing Project and Charlottesville Comprehensive Plan 2013: Housing Goals**

## **Goal 1.1:**

**Consider the effect of housing decisions when considering the proximity of existing units and the effects of unit location on associated infrastructure.**

The Carlton Neighborhood Housing project is rehabilitating and substantially improving units that are already in place as affordable housing so there should not be any adverse impact from the project.

## **Goal 1.2:**

**Evaluate the effect of reduced transportation costs and improved energy efficiency on housing affordability.**

The project is striving for EarthCraft Gold certification, which will greatly improve the energy efficiency at these four properties.

## **Goal 1.3:**

**Evaluate the effects new developments have on transit, the environment, density, open space configuration, commuter costs, and affordable housing.**

There is no new development; instead, there is a substantial improvement of existing properties.

## **Goal 2.1:**

**Preserve and improve the quality and quantity of the existing housing stock through the renovation, rehabilitation and/or expansion of existing units as a means of enhancing neighborhood stability.**

The project will preserve and improve the quality of 35 units of the existing housing stock in Belmont, which will enrich neighborhood stability.

## **Goal 2.5:**

**Promote the use of rapid rehousing and permanent supportive housing options by providing support to programs and organizations serving the homeless and near-homeless populations, as well as those with challenges that would otherwise prevent independent living.**

Community Services Housing, Inc., welcomes people with rental assistance through rapid rehousing and permanent supportive housing funds. Many of the existing residents at our Carlton Avenue/Carlton

Road properties were homeless or near-homeless when they moved in to our units there, and all have disabling conditions and multiple barriers that would impede typical independent living. We exist as a supportive housing provider so that these residents can succeed in living independently, and we work closely with service providers such as Region Ten in order to serve our residents.

**Goal 3.1:**

**Continue to work toward the City's goal of 15% supported affordable housing by 2025.**

This project preserves these 35 affordable housing units for 30 years under the regulations of the Low Income Housing Tax Credit program.

**Goal 3.2:**

**Incorporate affordable units throughout the City, recognizing that locating affordable units throughout the community benefits the whole City.**

Community Services Housing operates scattered-site, supportive, affordable housing in the Belmont, Fifeville, Woolen Mills and Locust Grove neighborhoods of Charlottesville. City support for this project would help us lower our overall operations and maintenance expenses and refinance our aging loans so that we can continue to operate properties throughout the City and so that we can grow our portfolio of affordable properties.

**Goal 3.3:**

**Achieve a mixture of incomes and uses in as many areas of the City as possible.**

The Carlton Neighborhood Housing project will have a mix of units targeting people whose income levels are no more than 40%, 50% and 60% of the area median income.

**Goal 4.1:**

**Continue to support the use of appropriate tax credit proposals submitted by private and non-profit developers within the locality to create affordable rental units, as consistent with Housing Advisory Committee policy.**

We are a non-profit developer working on our third tax credit development within the City. We use LIHTC funding to create and sustain affordable rental units.

**Goal 4.2:**

**Continue to fund programs that provide assistance to those unable to afford market rate housing options in the City.**

The average annual income of our almost 150 total residents (across all of our properties) is \$9,000. We work with residents who have Housing Choice Vouchers, VASH vouchers, DAP funding, Permanent Supportive Housing vouchers, and rapid rehousing funding.

**Goal 4.3:**

**Promote long-term affordability of units by utilizing industry strategies and mechanisms, including deed restriction and covenants for their initial sale and later resale and the use of community land trusts.**

Community Services Housing uses Low Income Housing Tax Credits to develop affordable properties.

**Goal 4.9:**

**Continue to dedicate funds annually to support strategic initiatives for affordable and mixed use housing and existing housing rehabilitation and repair.**

This project's aim is to substantially rehabilitate 35 rental units in four properties along the Carlton Avenue corridor.

**Goal 5.2:**

**Identify privately or institutionally owned land/properties that would be suitable for development or creative redevelopment of affordable or mixed-income housing projects. Support partnerships with private or non-profit entities to create affordable housing.**

Community Services Housing, Inc., is a 26-year old non-profit dedicated to developing, owning and operating affordable supportive housing for people in Charlottesville who are living with disabilities.

**Goal 5.4:**

**Perform an inventory across the City and use GIS technology to analyze where and how much affordable housing is available, where opportunities exist to create additional units and/or rehabilitate existing units and how to improve access for lower-income households to adult learning and employment opportunities, job training, healthy food sources, and public amenities such as parks, recreational facilities, shopping destinations and libraries, with the goal of reducing family isolation, deconcentrating poverty, and enhancing neighborhood and school health and economic mobility.**



The Carlton Neighborhood Housing project seeks to rehabilitate existing units and to connect with a network of service providers in our area (such as Region Ten) to help people access healthy opportunities and utilize accessible public amenities.

**Goal 5.6:**

**Work in cooperation with local governments and regional agencies to promote a regional fair share approach to providing affordable housing at a variety of income levels.**

Community Services Housing is working with Region Ten at the local level (please see the Memorandum of Understanding with Region Ten, in the attachments) and with VHDA on the regional level to provide supportive housing for people in the 40%, 50% and 60% AMI income levels .

**Goal 5.7:**

**Support housing programs at the local and regional level that encourage mixed-income neighborhoods and discourage the isolation of very low and low income households.**

As mentioned above, the Carlton Neighborhood Housing project will provide rental units aimed at people at or below the 40%, 50% and 60% AMI income levels. The properties within the project are close to neighborhood amenities and public transportation, and residents enjoy walking to the Downtown Mall area to shop and socialize.

**Goal 6.3:**

**Work with elected and appointed state officials to break down barriers to achieve our goals in State code (including inclusion of live-ability, visit-ability and/or universal design standards in our local zoning ordinance.)**

43% of the units in the Carlton Neighborhood Housing project will meet VHDA's Universal Design standards, and 26% of the units will meet Uniform Federal Accessibility Standards.

**Goal 7.1:**

**To the greatest extent feasible, ensure affordable housing is aesthetically similar to market rate.**

New roofs, gutters, windows, doors, decking and any necessary site work will improve the exterior aesthetics at these four properties, will help them to better blend with the surrounding neighborhood, and will make them more visually similar to market-rate units in the city.

**Goal 7.3:**

**Encourage appropriate design so that new supported affordable units blend into existing neighborhoods, thus eliminating the stigma on both the area and residents.**

As mentioned above, the four properties along the Belmont neighborhood's highly visible Carlton Avenue corridor will receive new roofs, gutters, windows, doors, decking and any necessary site work. This will help the properties to blend into the rest of the neighborhood better and will significantly improve their overall look.

**Goal 8.5:**

**Promote redevelopment and infill development that supports bicycle and pedestrian-oriented infrastructure and robust public transportation to better connect residents to jobs and commercial activity.**

The Carlton Neighborhood Housing project is located on the bus line which helps to connect residents with places of employment in the Pantops, Preston Avenue and Barracks Road areas. Additionally, residents can walk or bike to the Downtown Mall.

**Goal 8.7:**

**Encourage the incorporation of green sustainable principles (e.g., LEED, EarthCraft Virginia, EnergyStar, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs.**

The project is targeting an EarthCraft Gold certification and will feature EnergyStar appliances in order to conserve energy and reduce housing costs for our residents.



## VHDA Certified Management Agents Listing

This list indicates those management firms that have been designated as a VHDA Certified Management Agent as of July 27, 2016. It is important that interested parties review this list prior to executing a management agreement to ensure that they are aware of any changes that may have occurred. Should you have any questions regarding the status of a management agent, please feel free to contact that management company directly. **Should you have additional questions, please contact Neal Rogers at (804) 343-5870 or Neal.Rogers@VHDA.com.**

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## VHDA Permanent Supportive Housing Services Certification

Permanent Supportive Housing is housing consisting of units designated for individuals or families that are homeless, at-risk of homelessness or who have multiple barriers to independent living.

Best practices are described by the U.S. Department of Health and Human Services:  
<http://store.samhsa.gov/shin/content/SMA10-4510/SMA10-4510-06-BuildingYourProgram-PSH.pdf>

For consideration, provide **all** of the following:

1. Attach a list of developments for which you've provided permanent supportive housing services. Describe the types of services that were provided.

2. Describe your target population.

please see attached page

3. List the types of supportive services to be offered.

● Case Management	● Mental Health Support Services
● PACT Services	● Recovery Support Services
● Psychosocial Rehabilitative Services	● Vocational Services
● Payee Services	● Please see attached page 2 for more

4. What percentage of the total number of units will be marketed to and held available for tenants in need of supportive services?

100 %

In addition, I/we certify the following:

### Services

**Tenant choice.** Supportive housing tenants will have choices in what support services they receive (i.e., not a limited menu of services). Individual Support Plans will reflect tenant-defined needs and preferences. As supportive service tenants' needs change over time, tenants can receive more or less intensive support services.

**Assertive outreach and engagement.** The service team will use a variety of outreach and engagement techniques to bring tenants into helping relationships.

**Case management.** Case managers will serve as the bridge between tenants and the supports that help them achieve stability and long-term tenancy.

**Recovery supports.** Services will include at least one of the following:

- Mainstream supports, e.g., income supports and entitlements from public benefits programs, health care from hospitals and clinics and employment help from vocational agencies
- Specialized supports, e.g., life skills training, budgeting, medication management and behavioral health treatment
- Natural supports, e.g., connections with peers, family, community and faith communities

## Housing

**Tenant choice.** Supportive housing tenants will be able to choose where they want to live. Tenants cannot be evicted from their housing for rejecting services.

**Access.** Supportive housing units will be available to people who are experiencing homelessness, are precariously housed and/or who have multiple barriers to housing stability, including disabilities and substance abuse.

**Quality.** Supportive housing units will be similar to other units in the project.

**Integration.** Supportive housing tenants with disabilities will have a right to receive housing and supportive services in the most integrated settings available, including in buildings that include neighbors who do not have disabilities and where there is access to an array of community services and resources used by people with and without disabilities.

**Rights of tenancy.** Supportive housing tenant leases or subleases will confer full rights of tenancy, including limitations on landlords' entry into the property and the right to challenge eviction in landlord-tenant court. Tenants can remain in their homes as long as the basic requirements of tenancy are met—paying the rent, not interfering with other tenants' use of their homes, not causing property damage, etc. House rules, if any, are similar to those found in other housing.

**Affordability.** Supportive housing tenants should pay no more than 30% of their incomes toward rent and basic utilities.

**Coordination between housing and services.** Property managers and support service staff will stay in regular communication and coordinate their efforts to help prevent evictions and to ensure tenants facing eviction have access to necessary services and supports.

**Delineated roles.** There will be a functional separation of roles, with the housing elements (rent collection, property maintenance, enforcement of responsibilities of tenancy) carried out by different staff than those providing services (case management, mental health treatment, wraparound services).

The undersigned Owner certifies that each of the above statements is true and correct.

I/We agree that the commitment to provide supportive housing will remain in place throughout the Compliance Period (as described in the Extended Use Agreement).

July 28, 2016  
Date

Jennifer Fitzgerald  
Owner/Applicant

By: Jennifer Fitzgerald

Its: operations manager  
Title

## **TARGET POPULATION**

Our target population is low-income people with disabling conditions and multiple barriers to typical housing.

- **Low Income:**
  - Our residents have an average annual income of \$9,000
  - Almost all of our residents are classified as extremely low income (<30% of the area median income)
  
- **Multiple barriers to typical housing:**
  - All of our residents have disabling conditions – chronic medical issues which often including serious mental illness or intellectual or developmental disabilities
  - A history of homelessness
  - Criminal background
  - No or poor rental history and/or previous incarceration or previous residence in an emergency shelter or psychiatric hospital
  - Active chemical dependency or a recent history of using
  - Poor credit history
  - Zero income
  - Sporadic employment history or no employment history
  - No high school diploma or equivalent
  - Current or past domestic abuse
  - Trauma

### **SUPPORTIVE SERVICES OFFERED:**

Our residents are not required to have services as a condition of their residency, but we work extensively with the local Community Services Board and also work with several other organizations who do the service piece of our supportive housing. All residents of 301 Carlton Rd, 1200 Carlton Ave, 1210 Carlton Ave, and 1310 Carlton Road do currently receive services of their choosing from many agencies and organizations in Charlottesville such as Region Ten Community Services Board, The Haven, the Department of Veterans Affairs, the Department of Social Services, and On Our Own. These groups coordinate to provide our residents with a full and accommodating menu of services such as:

- Case management
- Mental health support services
- PACT services
- Recovery support services
- Psychosocial rehabilitative services
- Vocational services
- Medical services
- Peer support services
- Rental assistance
- Payee services
- Help obtaining:
  - Security deposit and/or first month's rent
  - Energy assistance
  - Cash and/or food assistance (TANF/SNAP)
  - Transportation

### **In order to help our applicants and residents, we:**

- Do not require an application fee or credit check
- Accept Section 8, PSH, and VASH vouchers, DAP subsidies, and Rapid Rehousing assistance (currently, 94% of the 35 units in this project receive one of these types of rental assistance)
- Welcome our residents to stay with us as long they would like, provided that they pay their rent and follow the conditions of their lease (*which is a standard apartment lease*)
- Work with service providers and the residents to remedy any remediable lease violations so that the resident can remain successfully housed with us
- Offer a no-cost back-payment agreement, within certain parameters, if a resident misses a rental payment and is then unable to pay it all at once
- Accept applicants with criminal histories if there are no violent charges (even misdemeanor assault) in the last three years and no charges anywhere in the applicant's history of manufacturing or distributing hard drugs
- Work hard to maintain good working relationships with agencies and organizations in Charlottesville who also work with our residents

## **Carlton Neighborhood Housing May 2017 ASNH Application**

### **Timeline**

Initial design and site control were completed at the time of the July 2016 LIHTC application and site control was refreshed prior to this application. VHDA has provided a Reservation of tax credits and VCDC has provided a commitment letter. The ASNH funding timetable begins with this application. As mentioned in the application text, the project team met with VHDA in early May 2017 concerning repayment of the existing VHDA debt and the application for new VHDA debt and VHDA has invited us to submit an application for permanent financing. An application for City funding will be submitted to the City immediately after the ASNH deadline.

The timetable anticipates finalizing financing commitments by or before the fourth quarter of 2017 – again with the VHDA debt being the most significant item yet to finalize, but acknowledging VHDA had previously provided a loan for these properties. Property transfer would occur early in the first quarter of 2018 and construction would begin simultaneously. Construction would last 12 months. Leaseup, consisting of the return of existing residents to their apartments, is projected to start in the second quarter of 2018 (as buildings are completed) and continue until after construction is completed in early 2019. Closeout reports will be filed near the end of the second quarter of 2019 after all of the other items are completed.



## Carlton Neighborhood Housing – 2017 DHCD ASNH Application

### Project Timeline

	Date	(Days)	Date
<b>A. Environmental Review</b>	11/28/16	1	11/28/16
<b>B. Site</b>			
Real Estate-Option/Contract	7/26/16	309	5/31/17
Site Analysis	7/25/16	1	7/25/16
Zoning Approval	11/29/16	1	11/29/16
Site Acquisition	12/1/17	45	1/15/18
<b>C. Financing</b>			
1. <u>Construction loan (if applicable)</u>			
Firm Commitment	8/1/2017	75	10/15/17
2. <u>Permanent loan</u>			
Firm Commitment	7/15/2017	92	10/15/17
3. <u>Other - ASNH</u>			
Firm Commitment/Award	5/31/17	137	10/15/17
4. <u>Other - City</u>			
Firm Commitment/Award	6/5/17	102	9/15/17
5. <u>Equity</u>			
	5/31/17	1	5/31/17
<b>D. Construction</b>			
Plans/Specification, Working Drawings	7/25/16	1	7/25/16
Const. Documents Approval	10/1/17	75	12/15/17
Bldg. Permits Drawn	12/15/17	31	1/15/18
Start of Construction	1/15/18	1	1/15/18
Site Work	1/15/18	365	1/15/19
Construction	1/15/19	365	1/15/19
Certificates of Occupancy	10/1/18	123	2/1/19
Lease-up	6/1/18	273	3/1/19
Project completed	4/1/19	1	4/1/19
Close-Out Report Submitted	6/1/19	1	6/1/19

**2016 Low-Income Housing Tax Credit Application For Reservation**

**VIII. PROJECT BUDGET**

**A. Cost/Basis/Maximum Allowable Credit**

Complete cost column and basis column(s) as appropriate through A12.

**NOTE:** Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations of this Part VIII.

<b>Must Use Whole Numbers Only!</b>		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		(A) Cost	"30% Present Value Credit"	
Item		(B) Acquisition	(C) Rehab/ New Construction	
<b>1. Contractor Cost</b>				
A. Unit Structures (New)	0	0	0	0
B. Unit Structures (Rehab)	1,525,000	0	0	1,525,000
C. Commercial Space Costs	0	0	0	0
D. Structured Parking Garage	0	0	0	0
E. Site Work	300,000	0	0	150,000
F. Off-Site Improvements	0	0	0	0
G. Site Environmental Mitigation	0	0	0	0
H. Demolition	60,000	0	0	0
I. Site Utilities	0	0	0	0
J. Subtotal A: (Sum 1A..1I)	1,885,000	0	0	1,675,000
K. General Requirements	96,750	0	0	96,750
L. Builder's Overhead ( 3.8% Contract)	72,400	0	0	72,400
M. Builder's Profit ( 3.8% Contract)	72,400	0	0	72,400
N. Bonds	0	0	0	0
O. Other: Fixtures	73,500	0	0	73,500
P. Contractor Cost Subtotal (Sum 1J..1O)	\$2,200,050	\$0	\$0	\$1,990,050
<b>2. Owner Costs</b>				
A. Building Permit	10,000	0	0	10,000
B. Arch./Engin. Design Fee ( 2,429 /Unit)	85,000	0	0	85,000
C. Arch. Supervision Fee ( 1,286 /Unit)	45,000	0	0	45,000
D. Tap Fees	0	0	0	0
E. Environmental	12,000	0	0	12,000
F. Soil Borings	0	0	0	0
G. EarthCraft/Leeds	17,200	0	0	17,200
H. Appraisal	7,000	0	0	7,000
I. Market Study	5,000	0	0	5,000
J. Site Engineering / Survey	25,000	0	0	25,000
K. Construction/Development Mgt	0	0	0	0
L. Structural/Mechanical Study	7,500	0	0	7,500

**2016 Low-Income Housing Tax Credit Application For Reservation**

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	"30 % Present Value Credit"			
	(A) Cost	(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
5. Total Development Costs Subtotal 1+2+3+4	5,770,184	0	0	3,158,750

**6. Reductions in Eligible Basis**

Subtract the following:

A. Amount of federal grant(s) used to finance qualifying development costs	0	0	0
B. Amount of nonqualified, nonrecourse financing	0	0	0
C. Costs of nonqualifying units of higher quality (or excess portion thereof)	0	0	0
D. Historic Tax Credit (residential portion)	0		
<b>7. Total Eligible Basis (5 minus 6 above)</b>	0	0	3,158,750

**8. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)**

(i) For QCT or DDA (Eligible Basis x 30%)	0	0	0
<i>State Designated Basis Boosts:</i>			
(ii) For Revitalization or Supportive Housing (Eligible Basis x 30%)	0	947,625	0
(iii) For Earthcraft or LEED Certification (Eligible Basis x 5% or 10%)		0	0
<b>Total Adjusted Eligible basis</b>		0	4,106,375

**9. Applicable Fraction**

100.00000%	100.00000%	100.00000%
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**10. Total Qualified Basis (Same as Part IX-C)**  
(Eligible Basis x Applicable Fraction)

0	0	4,106,375
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**11. Applicable Percentage**

(Beginning with 2016 Allocations, use the standard 9% rate.)  
(For tax exempt bonds, use the most recently published rates.)

3.25%	3.25%	9.00%
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**12. Maximum Allowable Credit under IRC §42**  
(Qualified Basis x Applicable Percentage)  
(Same as Part IX-C and equal to or more than credit amount requested)

\$0	\$0	\$369,574
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Combined 30% & 70% P. V. Credit

**2016 Low-Income Housing Tax Credit Application For Reservation**

**MUST USE WHOLE NUMBERS ONLY!**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
<b>2. Owner Costs Continued</b>				
M. Construction Loan Origination Fee	30,000*	0	0	30,000
N. Construction Interest ( 0.0% for 0 months)	115,000*	0	0	115,000
O. Taxes During Construction	30,000	0	0	30,000
P. Insurance During Construction	25,000	0	0	25,000
Q. Permanent Loan Fee ( 0.0% )	8,750	0	0	0
R. Other Permanent Loan Fees	0	0	0	0
S. Letter of Credit	0	0	0	0
T. Cost Certification Fee	8,500	0	0	0
U. Accounting	0	0	0	0
V. Title and Recording	45,000	0	0	25,000
W. Legal Fees for Closing	70,000	0	0	30,000
X. Mortgage Banker	0	0	0	0
Y. Tax Credit Fee	23,400	0	0	0
Z. Tenant Relocation	70,000	0	0	0
AA. Fixtures, Furnitures and Equipment	25,000	0	0	25,000
AB. Organization Costs	0	0	0	0
AC. Operating Reserve	170,000	0	0	0
AD. Contingency	220,000*	0	0	220,000
AE. Security	0	0	0	0
AF. Utilities	0	0	0	0
(1) Other* specify: Rent Affordability	5,000	0	0	0
(2) Other* specify: Replacement	10,000	0	0	0
(3) Other* specify:	0	0	0	0
(4) Other* specify:	0	0	0	0
(5) Other* specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$1,069,350	\$0	\$0	\$713,700
<b>Subtotal 1 + 2</b> (Owner + Contractor Costs)	\$3,269,400	\$0	\$0	\$2,703,750
<b>3. Developer's Fees</b>	455,000	0	0	455,000
<b>4. Owner's Acquisition Costs</b>				
Land	846,500			
Existing Improvements	1,199,284	0		
Subtotal 4:	\$2,045,784	\$0		
<b>5. Total Development Costs</b>				
Subtotal 1+2+3+4:	\$5,770,184	\$0	\$0	\$3,158,750

If this application seeks rehab credits only, in which there is no acquisition and no change in ownership, enter the greater of appraised value or tax assessment value here:  
(Provide documentation at Tab K)

\$0 Land  
\$0 Building



AHIP

Funding Request to City of Charlottesville Neighborhood Development Services

**FY18 Rehab Production and Funding Goals**

July 2017

## Introduction

Owner-occupied rehab efforts keep city residents safe at home, protect their assets, improve city neighborhoods, and preserve the city's stock of affordable housing. In FY17, AHIP and the city, through our joint rehab and emergency repair efforts, helped 63 households and 126 people. Of those households:

- 20 percent were home to kids under 18
- 16 percent were headed by a single parent
- 58 percent were home to senior citizens
- 36 percent were home to disabled family members
- The average annual income was \$28,777 and the average percent of AMI was 45 percent

The city was AHIP's key programmatic and funding partner for the majority of this work.

We work closely with Neighborhood Development Services to inspect projects and develop each rehab's scope of work, approve funding disbursements, coordinate deed of trust and legal documentation (in conjunction with the city attorney's office), go through the requisite permitting processes, ensure compliance with local and federal funds, and problem-solve challenges related to client families or properties. Other key partners include LEAP, local private donors, regional subcontractors, and local and regional volunteers.

The Charlottesville Affordable Housing Fund has been a primary investor in existing affordable housing, underwriting rehab and emergency repair work for city residents who would not be able to make critical home repairs on their own.

Our program areas include the following:

- **scattered-site (city-wide) small to large emergency repairs**
- **scattered-site (city-wide) moderate to large rehabs**
- **Block-by-Block Charlottesville, AHIP and the city's target-area rehab initiative.** Current target areas include the 10th & Page neighborhood and the Orangedale & Prospect neighborhood (second year of this effort). We have identified Belmont as our next target area initiative and are currently researching housing needs in that neighborhood.

Together, AHIP and the city of Charlottesville work together to preserve homes, protect neighborhoods, maintain and improve the affordable housing stock, and keep city homeowners and their families safe at home.

## FY18 production goals

In FY18, AHIP aims to help 60 to 70 households with 25 rehabs, 57 small to large emergency repairs, and 23 energy retrofits (105 projects in all).

## Cost

Based on historical averages and jobs that have already been estimated, we estimate that assisting 60 to 70 households with 104 projects will cost approximately \$1.328 million in direct job, project management, and program administration costs. We aim to combine new FY18 CAHF funds with private funds, in-kind contributions, volunteer labor, and prior-year CAHF funds that are earmarked for FY18 projects.

**Our current FY18 request to the Charlottesville Affordable Housing Fund totals \$905,656.** This grant will support city-wide scattered-site rehabs, our Block-by-Block initiative in the Orangedale & Prospect neighborhood, and scattered-site large and small emergency repairs.

## Approach

Thanks to the city's significant programmatic investment in affordable housing preservation, AHIP has been able to fine-tune our approach to meeting the rehab and repair needs of city residents over the last eight years.

From 1995 to 2008, AHIP focused solely on larger, federally funded rehabs, sometimes doing as few as four rehabs per year and leaving many calls for assistance unanswered. We have since intensified our impact and diversified our approach into more specific program areas, from small repairs to large rehabs, encompassing scattered-site and target-area strategies.

This has resulted in increased responsiveness to city residents' housing needs and a higher degree of efficiency in planning and utilizing city resources. This year, we continue to build on this and are proposing the following approaches and production goals:

### ■ emergency repairs

AHIP administers Charlottesville's **Emergency Repair Program**, responding to urgent home repair crises for very low-income city residents. Since the start of this vital initiative in Charlottesville in 2009, AHIP and the city have helped 696 people in 331 households with relatively minor but critical home repairs. Typical repairs include heating systems; handicap ramps; water heaters; roofs; windows; doors; and plumbing, electrical, and structural emergencies. Emergency repair projects typically range in cost from \$1,000 to \$5,000. There are currently 104 Charlottesville families on the emergency repair waitlist.

AHIP received our FY17 allocation from the city in October of 2017, and in seven months of work, completed 41 emergency repairs. The balance of 16 repairs will be completed in early FY18. (One additional will be done with private funds and Charlottesville Habitat volunteers.)

**Production goal:** In FY18, we aim to help a total of 51 households. Thirty-four of those 51 households will be funded with FY18 funds, at an average cost of \$2,700 per job.

**FY18 costs and funding request:**

Direct job costs for 34 homes	92,718	materials, labor, supplies
Service delivery	9,272	program management, administration
<b>Total</b>	<b><u>\$ 101,990</u></b>	

**■ neediest cases emergency repairs**

In FY17, AHIP and the city launched our Neediest Cases Emergency Repair Program in order to budget and plan for larger emergency repairs (averaging \$10,000) that would ordinarily be financially out of reach of our regular emergency repair program or that cannot wait for a larger-scale rehab. (For several years, we utilized federal HOME funds for larger emergency repairs, but federal rules prohibit using funds in this way.) Examples include HVAC replacements, roof replacements, sewer/water line issues, and electrical system upgrades.

This was hugely successful in FY17, with four jobs completed and one underway in FY17 (the fifth began in April but is going to be counted for FY18). This program, which started at the end of October 2017, funded a chair lift, two HVAC replacements, two major roof repairs, one handicap ramp, and one extensive mold remediation/ waterproofing project.

We anticipate a balance of \$3,184 (pending final costs for the last project) that we would like to carry into FY18 and deduct from our FY18 funding request.

**Production goal:** In FY18, we aim to help six households with large emergency repairs. One will use carry-forward FY17 funds and five will be funded with FY18 funds at an average cost of \$10,000 per household.

**FY18 funding request:**

Direct job costs for five homes	50,000	materials, labor, supplies
Service delivery	5,000	program management, administration
Less FY17 balance	(3,184)	materials, labor, supplies
<b>Total</b>	<b><u>\$ 51,816</u></b>	

**■ scattered-site rehabs**

AHIP's scattered-site rehab effort serves homeowners outside of our target-area neighborhoods. We currently have 124 families on our city rehab waiting list. Scattered-site rehabs are typically funded by Charlottesville Affordable Housing Fund, HOME, and/or private funds.

In FY17, our goal was to complete seven scattered-site rehabs. We completed four and started a fifth that will finish up in FY18. We have our last two FY17-funded rehabs underway now. Reasons for

delays included prioritization of HOME-funded projects and one client whose repeated hospitalizations delayed finalization of her estimate and contract.

AHIP used \$121,000 in prior and current year HOME funds in FY17. We have earmarked the balance of FY17 HOME funds for a client whose project is now underway, so there will be no HOME funds to use in FY18. This will eliminate the need to prioritize HOME spending, but it will also remove a source of funds.

The cost ceiling for our regular rehab program is \$38,500, with exceptions sometimes made for urgent or unexpected tasks.

We have four new projects in our production queue (eligibility, inspection, estimate phase). As we plan additional scattered-site projects, we may prioritize Belmont homes as we move forward with planning our next BXBC neighborhood (see below).

**Production goal:** In FY18, we aim to help 10 scattered-site households: three with carry-forward funds and private funds, and seven with new FY18 funds. As of this writing, we have earmarked \$58,853 in private funds for scattered-site clients.

**FY18 funding request:**

Direct job costs for seven homes	269,500	materials, labor, supplies, soft costs
Service delivery	26,950	program management, administration
<b>Total</b>	<b><u>\$ 296,450</u></b>	

## ■ **neediest cases scattered-site rehabs**

The city’s aging housing stock and the very limited budgets of homeowners often result in homes that require a substantial amount of rehab work in order to be safe and sound. Where possible, we layer private funds, volunteer labor, and partnerships (such as with Building Goodness Foundation) to get the work done, but this remains an ongoing challenge. Last year, the city agreed to set aside funding for at least two large rehabs so that we could budget and plan for the work.

For FY17, we had identified two clients for this program area. One ended up coming in at a much lower cost than anticipated, and so ended up staying in our regular scattered-site program. The other client went through program intake, eligibility, inspections, and the estimating process, only to decide to drop out of the program and sell her house. We found a third candidate whose initial estimate came in at \$105,000—way over our anticipated amount that would have allowed us to do two large rehabs.

We put the project on hold while we sought private funds, volunteers, and in-kind support. We were able to reduce the rehab cost by about \$10,000 and then found a fourth project that, while large, was estimated at \$57,000. This used up the balance of neediest cases rehab funds and a small portion of regular scattered-site funds. With city approval, we moved forward and that project is now underway.



**Production goal:** For FY18, we aim to help three scattered-site households in need of larger-scale rehabs. One will be supported by remaining FY17 funds, and the other two will utilize proposed FY18 funds, averaging \$75,000 per project.

**FY18 funding request:**

Direct job costs for two homes	150,000	materials, labor, supplies, soft costs
Service delivery	15,000	program management, administration
<b>Total</b>	<b><u>\$ 165,000</u></b>	

**■ block-by-block charlottesville: tenth and page**

AHIP and the city’s BXBC projects target high-need neighborhoods and invest city funds, private funds, volunteers, and partner resources in order to tackle as many rehab projects as possible. This approach keeps people safe at home and preserves their assets, while improving and protecting the diversity, history, and well-being of whole neighborhoods.

Phase 1 of the 10th & Page BXBC effort addressed the target area west of 10th Street over to 11th Street and from Page Street up to Grady Avenue. In partnership with the city, private donors, volunteers, and community partners, we set out to rehab 24 homes. We completed 25 rehabs as of early FY17 and are finished with Phase 1.

Phase 2 – which tackled the remaining part of the neighborhood east of 10th Street over to 8th Street at the railroad tracks and between Page and West streets – got underway in FY16. Since then, we have completed 11 rehabs in the Phase 2 project area, using a mix of CAHF and private funds. Our two final jobs in the Phase 2 project area are estimated and awaiting city funding approval. We anticipate starting those within the next month.

**Production goal:** In FY18, we aim to complete two Phase 2 BXBC projects using \$58,853 in carry-forward CAHF FY17 funds and an estimated \$30,225 in private funds. We are planning no new projects and requesting no new funds.

**■ block-by-block charlottesville: orangedale**

Phase 1 of our Orangedale BXBC effort got underway in summer of 2015. The outreach done in that neighborhood resulted in 55 households on the waiting list for rehabs.

Since the initiative’s start, we have completed 20 rehabs and energy upgrades in the target area that includes the Orangedale subdivision from 5th Street to Orangedale Avenue, and from Rockcreek Road up to Cherry Avenue, including that section of 7½ Street SW and 9th Street SW, and Elm and Pine Streets.

Piedmont Housing Alliance is a community partner in this effort, with rehab funds set aside by City Council in summer 2015 to fund new homebuyer downpayment assistance as well as a rehab allowance of \$12,500 per unit for homebuyers. AHIP completed one rehab for one PHA Orangedale buyer in FY17.

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If we're able to secure necessary funding, we anticipate one more year to complete all Orangedale rehabs currently on our remaining waitlist of 17 homes.

**Production goal:** In FY18, we aim to complete 10 BXBC Orangedale projects. Two will be funded by surplus FY17 funds and eight will be funded by new FY18 CAHF funds, with an average project cost of \$33,000. We have earmarked at least \$39,422 in private funds toward one unusually large Orangedale rehab and to close the gap on a smaller rehab.

**FY18 funding request:**

Direct job costs for eight homes	264,000	materials, labor, supplies
Service delivery	26,400	program management, administration
<b>Total</b>	<b><u>\$ 290,400</u></b>	

## In planning

### ■ block-by-block charlottesville: belmont

As AHIP wraps up our 10th & Page effort and begins to wind down our work in Orangedale, we have launched a planning effort in the Belmont neighborhood. We sent out approximately 1,000 introductory letters and eligibility surveys to homeowners over the last two months and are compiling data on initial eligibility, interest, and general neighborhood feedback from the 58 responses received so far. We will submit a comprehensive report and proposed approach to Neighborhood Development Services by fall of this year, but want to share very preliminary data.

Before the mailings, we had 10 homeowners already on the Belmont rehab waiting list. Of the 71 respondents, 45 are interested and report that they are income eligible. Out of this group, 57 percent are elderly households, 38 percent are disabled, and 46 percent are families with children.

Two of these 45 were already among the 10 original waitlisted households. As of this writing, our new Belmont waiting list stands at 55. The surveys continue to come in.



AHIP

Funding Request to City of Charlottesville Neighborhood Development Services

**FY18 Rehab Production and Funding Goals**

July 2017

## Introduction

Owner-occupied rehab efforts keep city residents safe at home, protect their assets, improve city neighborhoods, and preserve the city's stock of affordable housing. In FY17, AHIP and the city, through our joint rehab and emergency repair efforts, helped 63 households and 126 people. Of those households:

- 20 percent were home to kids under 18
- 16 percent were headed by a single parent
- 58 percent were home to senior citizens
- 36 percent were home to disabled family members
- The average annual income was \$28,777 and the average percent of AMI was 45 percent

The city was AHIP's key programmatic and funding partner for the majority of this work.

We work closely with Neighborhood Development Services to inspect projects and develop each rehab's scope of work, approve funding disbursements, coordinate deed of trust and legal documentation (in conjunction with the city attorney's office), go through the requisite permitting processes, ensure compliance with local and federal funds, and problem-solve challenges related to client families or properties. Other key partners include LEAP, local private donors, regional subcontractors, and local and regional volunteers.

The Charlottesville Affordable Housing Fund has been a primary investor in existing affordable housing, underwriting rehab and emergency repair work for city residents who would not be able to make critical home repairs on their own.

Our program areas include the following:

- **scattered-site (city-wide) small to large emergency repairs**
- **scattered-site (city-wide) moderate to large rehabs**
- **Block-by-Block Charlottesville, AHIP and the city's target-area rehab initiative.** Current target areas include the 10th & Page neighborhood and the Orangedale & Prospect neighborhood (second year of this effort). We have identified Belmont as our next target area initiative and are currently researching housing needs in that neighborhood.

Together, AHIP and the city of Charlottesville work together to preserve homes, protect neighborhoods, maintain and improve the affordable housing stock, and keep city homeowners and their families safe at home.

## FY18 production goals

In FY18, AHIP aims to help 60 to 70 households with 25 rehabs, 57 small to large emergency repairs, and 23 energy retrofits (105 projects in all).

## Cost

Based on historical averages and jobs that have already been estimated, we estimate that assisting 60 to 70 households with 104 projects will cost approximately \$1.328 million in direct job, project management, and program administration costs. We aim to combine new FY18 CAHF funds with private funds, in-kind contributions, volunteer labor, and prior-year CAHF funds that are earmarked for FY18 projects.

**Our current FY18 request to the Charlottesville Affordable Housing Fund totals \$905,656.** This grant will support city-wide scattered-site rehabs, our Block-by-Block initiative in the Orangedale & Prospect neighborhood, and scattered-site large and small emergency repairs.

## Approach

Thanks to the city's significant programmatic investment in affordable housing preservation, AHIP has been able to fine-tune our approach to meeting the rehab and repair needs of city residents over the last eight years.

From 1995 to 2008, AHIP focused solely on larger, federally funded rehabs; sometimes doing as few as four rehabs per year and leaving many calls for assistance unanswered. We have since intensified our impact and diversified our approach into more specific program areas, from small repairs to large rehabs, encompassing scattered-site and target-area strategies.

This has resulted in increased responsiveness to city residents' housing needs and a higher degree of efficiency in planning and utilizing city resources. This year, we continue to build on this and are proposing the following approaches and production goals:

### ■ emergency repairs

AHIP administers Charlottesville's **Emergency Repair Program**, responding to urgent home repair crises for very low-income city residents. Since the start of this vital initiative in Charlottesville in 2009, AHIP and the city have helped 696 people in 331 households with relatively minor but critical home repairs. Typical repairs include heating systems; handicap ramps; water heaters; roofs; windows; doors; and plumbing, electrical, and structural emergencies. Emergency repair projects typically range in cost from \$1,000 to \$5,000. There are currently 104 Charlottesville families on the emergency repair waitlist.

AHIP received our FY17 allocation from the city in October of 2017, and in seven months of work, completed 41 emergency repairs. The balance of 16 repairs will be completed in early FY18. (One additional will be done with private funds and Charlottesville Habitat volunteers.)

**Production goal:** In FY18, we aim to help a total of 51 households. Thirty-four of those 51 households will be funded with FY18 funds, at an average cost of \$2,700 per job.

**FY18 costs and funding request:**

Direct job costs for 34 homes	92,718	materials, labor, supplies
Service delivery	9,272	program management, administration
<b>Total</b>	<b><u>\$ 101,990</u></b>	

**■ neediest cases emergency repairs**

In FY17, AHIP and the city launched our Neediest Cases Emergency Repair Program in order to budget and plan for larger emergency repairs (averaging \$10,000) that would ordinarily be financially out of reach of our regular emergency repair program or that cannot wait for a larger-scale rehab. (For several years, we utilized federal HOME funds for larger emergency repairs, but federal rules prohibit using funds in this way.) Examples include HVAC replacements, roof replacements, sewer/water line issues, and electrical system upgrades.

This was hugely successful in FY17, with four jobs completed and one underway in FY17 (the fifth began in April but is going to be counted for FY18). This program, which started at the end of October 2017, funded a chair lift, two HVAC replacements, two major roof repairs, one handicap ramp, and one extensive mold remediation/ waterproofing project.

We anticipate a balance of \$3,184 (pending final costs for the last project) that we would like to carry into FY18 and deduct from our FY18 funding request.

**Production goal:** In FY18, we aim to help six households with large emergency repairs. One will use carry-forward FY17 funds and five will be funded with FY18 funds at an average cost of \$10,000 per household.

**FY18 funding request:**

Direct job costs for five homes	50,000	materials, labor, supplies
Service delivery	5,000	program management, administration
Less FY17 balance	(3,184)	materials, labor, supplies
<b>Total</b>	<b><u>\$ 51,816</u></b>	

**■ scattered-site rehabs**

AHIP’s scattered-site rehab effort serves homeowners outside of our target-area neighborhoods. We currently have 124 families on our city rehab waiting list. Scattered-site rehabs are typically funded by Charlottesville Affordable Housing Fund, HOME, and/or private funds.

In FY17, our goal was to complete seven scattered-site rehabs. We completed four and started a fifth that will finish up in FY18. We have our last two FY17-funded rehabs underway now. Reasons for

delays included prioritization of HOME-funded projects and one client whose repeated hospitalizations delayed finalization of her estimate and contract.

AHIP used \$121,000 in prior and current year HOME funds in FY17. We have earmarked the balance of FY17 HOME funds for a client whose project is now underway, so there will be no HOME funds to use in FY18. This will eliminate the need to prioritize HOME spending, but it will also remove a source of funds.

The cost ceiling for our regular rehab program is \$38,500, with exceptions sometimes made for urgent or unexpected tasks.

We have four new projects in our production queue (eligibility, inspection, estimate phase). As we plan additional scattered-site projects, we may prioritize Belmont homes as we move forward with planning our next BXBC neighborhood (see below).

**Production goal:** In FY18, we aim to help 10 scattered-site households: three with carry-forward funds and private funds, and seven with new FY18 funds. As of this writing, we have earmarked \$58,853 in private funds for scattered-site clients.

**FY18 funding request:**

Direct job costs for seven homes	269,500	materials, labor, supplies, soft costs
Service delivery	26,950	program management, administration
<b>Total</b>	<b><u>\$ 296,450</u></b>	

**■ neediest cases scattered-site rehabs**

The city’s aging housing stock and the very limited budgets of homeowners often result in homes that require a substantial amount of rehab work in order to be safe and sound. Where possible, we layer private funds, volunteer labor, and partnerships (such as with Building Goodness Foundation) to get the work done, but this remains an ongoing challenge. Last year, the city agreed to set aside funding for at least two large rehabs so that we could budget and plan for the work.

For FY17, we had identified two clients for this program area. One ended up coming in at a much lower cost than anticipated, and so ended up staying in our regular scattered-site program. The other client went through program intake, eligibility, inspections, and the estimating process, only to decide to drop out of the program and sell her house. We found a third candidate whose initial estimate came in at \$105,000—way over our anticipated amount that would have allowed us to do two large rehabs.

We put the project on hold while we sought private funds, volunteers, and in-kind support. We were able to reduce the rehab cost by about \$10,000 and then found a fourth project that, while large, was estimated at \$57,000. This used up the balance of neediest cases rehab funds and a small portion of regular scattered-site funds. With city approval, we moved forward and that project is now underway.

**Production goal:** For FY18, we aim to help three scattered-site households in need of larger-scale rehabs. One will be supported by remaining FY17 funds, and the other two will utilize proposed FY18 funds, averaging \$75,000 per project.

**FY18 funding request:**

Direct job costs for two homes	150,000	materials, labor, supplies, soft costs
Service delivery	15,000	program management, administration
<b>Total</b>	<b><u>\$ 165,000</u></b>	

**■ block-by-block charlottesville: tenth and page**

AHIP and the city’s BXBC projects target high-need neighborhoods and invest city funds, private funds, volunteers, and partner resources in order to tackle as many rehab projects as possible. This approach keeps people safe at home and preserves their assets, while improving and protecting the diversity, history, and well-being of whole neighborhoods.

Phase 1 of the 10th & Page BXBC effort addressed the target area west of 10th Street over to 11th Street and from Page Street up to Grady Avenue. In partnership with the city, private donors, volunteers, and community partners, we set out to rehab 24 homes. We completed 25 rehabs as of early FY17 and are finished with Phase 1.

Phase 2 – which tackled the remaining part of the neighborhood east of 10th Street over to 8th Street at the railroad tracks and between Page and West streets – got underway in FY16. Since then, we have completed 11 rehabs in the Phase 2 project area, using a mix of CAHF and private funds. Our two final jobs in the Phase 2 project area are estimated and awaiting city funding approval. We anticipate starting those within the next month.

**Production goal:** In FY18, we aim to complete two Phase 2 BXBC projects using \$58,853 in carry-forward CAHF FY17 funds and an estimated \$30,225 in private funds. We are planning no new projects and requesting no new funds.

**■ block-by-block charlottesville: orangedale**

Phase 1 of our Orangedale BXBC effort got underway in summer of 2015. The outreach done in that neighborhood resulted in 55 households on the waiting list for rehabs.

Since the initiative’s start, we have completed 20 rehabs and energy upgrades in the target area that includes the Orangedale subdivision from 5th Street to Orangedale Avenue, and from Rockcreek Road up to Cherry Avenue, including that section of 7½ Street SW and 9th Street SW, and Elm and Pine Streets.

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Two of these 45 were already among the 10 original waitlisted households. As of this writing, our new Belmont waiting list stands at 55. The surveys continue to come in.





Creating simple, decent, affordable housing in partnership with low-income families, volunteers and the communities of greater Charlottesville.

May 31, 2017

Stacy Pethia, Housing Program Coordinator  
Neighborhood Development Services  
P. O. Box 911 – 610 East Market Street  
Charlottesville, VA 22902

RE: Project 20

Dear Ms. Pethia,

As you know, as part of our strategic plan and in service to the City of Charlottesville, Habitat for Humanity of Greater Charlottesville has set a goal of building at least 20 homes annually in mixed-income, walkable neighborhoods for local residents who earn between 25% and 60% of the area median income.

Although we've had great success meeting our **Project 20** goals, finding affordable land, especially in the City, continues to present a significant challenge. This challenge becomes especially steep when trying to meet the City's goal of blending affordable, workforce and market rate housing throughout the City.

One strategy for countering the concentration of low-income housing and building more diverse and sustainable communities is to create mixed-income neighborhoods where opportunities exist. Last year, in partnership with the City and Southern Development Corporation, Habitat completed its work at Burnet Commons III: The Park, a mixed income community inclusive of 18 homes sold to local residents earning between 25% and 60% of area median income. An added component of the project is our special partnership with the Charlottesville Redevelopment and Housing Authority through which more than a third of those homes were sold to residents coming out of public housing or off of Housing Choice Vouchers. Additionally, for the first time, this year we provided affordable homeownership opportunities in a market rate development in Crozet (Wickham Pond). All six Habitat families who selected at Wickham are long-time City of Charlottesville residents.

The other strategy for achieving a mixture of housing options throughout the City and the region -- in addition to building inclusive neighborhoods from the ground up -- is more challenging and involves finding opportunities to incorporate affordable and workforce housing in areas of town that are to a large degree built out and where high land prices have rendered affordable housing opportunities all but impossible. The legacy of this kind of priced-based segregation, caused in part by historic red lining and zoning practices, has had the effect of creating two Charlottesville's, largely separated by socio-economic and racial factors.

The City's own data bears this out. The City of Charlottesville "Distribution of Affordable Housing Units" map (attached in section VI) produced by City GIS analyst Bart Pfautz documents just how much work there is to be done to meet the City's Comprehensive Plan Housing goal (3.2) of "Incorporat(ing) affordable units throughout the City, recognizing that locating affordable units throughout the community benefits the whole City."

However, thanks to the support of City Council last year (CAHF Account P-0672, August 2016), we are finally beginning to make strides in this area.

For example, with \$30,000 per unit support from the CAHF, we were able to purchase eight lots at the new, upper-income development Lochlyn Hill adjacent to Pen Park. This three way partnership allowed Habitat to augment City funds with private fundraising, which in turn catalyzed an agreement on the part of the developer to provide a discount on the lots. The City's \$240,000 contribution at Lochlyn will leverage the creation of \$2MM of new real estate resulting in an approximately \$1MM tax revenue gain for the City over the duration of the partner family mortgages. Even more importantly, the City's support catalyzed a process by which, within a month, we will begin vertical construction on eight new homes, doubling the number of supported affordable units in that census tract and providing a bright future for eight hard-working local families.

Thus far, using proceeds from the grant we have been able to put under contract 15 of the 16 lots promised as part of the grant agreement. (See map under Item VII). As important, in terms of meeting long-range City goals, these homes/lots are located in four separate City census tracts, two of which are upper income blocks. In short, this partnership with the City has been an enormous success -- beginning to create momentum toward more inclusive neighborhoods through the City -- which we need to continue.

As Habitat pursues its next affordable home construction projects, we remain committed to finding opportunities to blend housing throughout the City. The attached map (under section VIII) shows the status of our current and pending builds as well as the sites where we are in active negotiations to purchase lots for affordable homeownership. We are again seeking 16 new City building lots in multiple locations in order to help us meet our goals and even more thoroughly align our contribution with City goals.

Given the extremely high land costs in the City (for example, the average lot cost in the Lochlyn Hill subdivision is \$129,700), it will require \$480,000 from the Charlottesville Affordable Housing Fund for land acquisition and/or development to supplement our fundraising and allow

us to create 16 new affordable housing opportunities. The City's investment will leverage approximately \$3.1MM in direct private investment; By applying a multiplier, that leverage amount becomes significantly higher. Additionally, Habitat will raise approximately \$1.93MM of private funding and Habitat Partner Families will assume zero interest mortgage notes of approximately \$1.6MM collectively. Ultimately, the combined investment will create approximately \$4MM in new taxable real estate. (See sections I and II below).

The City's investment will be protected by a variety of mechanisms to maintain housing affordability while helping 16 of our most economically-vulnerable families earn equity and achieve financial independence. Habitat will reinvest any proceeds from a subsequent sale of its homes, should they resell, into future affordable housing. Habitat will also retain the right of first refusal to purchase back the property and will provide a zero interest first mortgage to the purchaser as well as a final forgivable mortgage that dissolves the longer the family stays in and maintains the home. For each home, Habitat will share in any appreciation gain upon resale and reinvest those proceeds in future affordable housing as well. Sections III and IV describe in detail the mechanisms used to maintain housing affordability while helping low-income families earn equity.

Beneficiaries of these funds will primarily be City residents and/or be employed in the City and will earn between 25% and 60% of area median income. We are very excited about extending our partnership with the City to address multiple key strategic initiatives in order to provide a helping hand up out of housing poverty to 16 new, hard-working families this year. Thank you very much for your consideration of this proposal. And please feel free to call me if you need any additional information.

Sincerely,



Dan Rosensweig  
President and CEO

**I. Budget**

a. Expenses

Item	Unit Cost	Units	Cost
Lot Acquisition and development	\$80,000 average	16	\$1,280,000
Construction Costs – HFH Homes	\$100,000	16	\$1,600,000
General Requirements (final grading, frontage improvements, design, tap fees, other overheads, etc.)	8%		\$230,400
<b>Total</b>			<b>\$3,110,400</b>

b. Revenues

Source	Amount
CAHF	\$480,000
Partner Family Mortgages (present value, est)	\$1,600,000
Discount Adjustment (time value of money at 0% over 30 years @ 7.1% inflation per IRS)	(\$918,981)
Habitat Fundraising	\$1,949,381
<b>Total</b>	<b>\$3,110,400</b>

**II. Leverage**

Total direct economic impact excluding multiplier	\$3,110,400	Leverage Factor	6.5 times
Total Estimated market value	16 units at \$250,000 (est)= \$4MM	Leverage Factor	8.3 times
New Taxes Generated	New (est) Tax Revenue during mortgage terms (assumes current tax rate and 0% inflation)		\$38,000 x 30 years = \$1,140,000
	Total Tax Revenue over thirty years, trended at 3% per year		\$1,807,866

**III. Example of Habitat Mortgage Structure (From a recent home sale)**

APPRAISAL \$216,000.00

PURCHASE PRICE: The purchase price of the Property was set per HUD instructions, in compliance with SHOP requirements. It is the appraised value less a discount for sweat equity.

Habitat Sales Price \$214,094.00

Closing Costs (Estimated) \$3,310.36

Total Purchase Price plus Estimated Closing Costs \$217,404.36

**COST BASIS FOR HABITAT'S FIRST MORTGAGE CALCULATION**

Habitat's cost to build, including land, materials and overhead \$168,480.00

Estimated closing costs \$3,310.36

Cost to be recaptured in down payment, first mortgage, down payment assistance from other sources (and, if necessary, deferred mortgage) \$171,790.36

**METHOD OF PAYMENT:**

Buyer's Deposit to be held in trust by Greater Charlottesville HFH \$1,250.00

1<sup>st</sup> Mortgage: Approximate principal balance to which conveyance shall be subject. This is a 0% (zero percent) loan (amount set by Partner Family's ability to pay – depending on the AMI % of the family, total Monthly housing expenses are capped at between 21%-27% of gross family income, typically for a 27-30 year note). \$109,554.00

HOME Funds (affordability period will apply) \$19,180.00

Deferred Mortgage (Payable in full if home sells within 40 years) \$41,806.36

Habitat Last Mortgage: Affiliate's (0% -- forgivable) to secure full. (This Amount is equal to the delta between the sale price established by an appraisal and the cost to build). \$45,614.00

**Total** **\$217,404.36**

**IV. Equity Sharing/Mortgage Rules to protect investments of Habitat and other funders:**

Habitat has multiple mechanisms in place to promote long-term affordability while at the same time allowing low-income purchasers the opportunity to earn equity. As of the end of this current fiscal year, Habitat will have built or rebuilt 186 homes in the area since 1991. Of those, 172 were sold through Habitat's homebuyers program. Of those 172, 163 original owners are still in their homes. In the case of the nine homes with new owners, in four cases Habitat took a deed in lieu of foreclosure and resold the home to a new partner family, in three cases, the owners repaid all of their notes – including any deferred or partially forgivable mortgages – and resold the home on the open market. And, in one case, Habitat exercised our right of first refusal to repurchase the home and resell it to a new Partner Family. In all cases, upon resale, City subsidies were either repaid or had been forgiven because the affordability period had expired.

Our policies for lending – and the rules regarding repayment, appreciation sharing, etc. – have evolved over time. However, for many years, in all cases, Habitat has maintained a right of first refusal to repurchase and sell the home affordably and provided a zero interest first mortgage and final forgivable mortgage. This program has allowed low income families in the community to earn approximately \$18 million in home equity and mortgage interest savings since 1991.

Additionally, all families participate in the construction of their own homes increasing their sense of investment and training them to maintain the homes to the highest standards.

Most Habitat Family mortgage structures also have junior notes which are either deferred (and thus repaid in full if the home sells) or forgivable over time providing additional incentive for families to stay in the home. Some Habitat homes also have additional deed restrictions – such as the limitation on the escalation of the price and income of the purchaser of a resale.

Finally, as per City housing policy #1, when it uses CAHF funds to subsidize a home, Habitat will use any proceeds of a home resale to create access to additional Supported Affordable Units. Each year, Habitat will submit to the City a report that indicates the addresses of each of its Supported Affordable Units.

Below is a description of some of the legal mechanisms in place in the contract between Habitat and the purchaser of the home using the mortgage structure described above.

**RIGHT OF FIRST REFUSAL:** In consideration of Buyer's benefiting from the home ownership program of Seller, by the deed conveying the Property to Buyer, Buyer shall grant and convey to Seller a right of first refusal for such property. At such time in the future as Buyer decides to sell all or any portion of such property, Buyer shall first offer to sell such property to Seller as follows:

(a) If the Buyer shall receive a bona fide offer for the sale of the Property that the Buyer desires to accept, he shall give written notice of such offer to Habitat by

certified mail, return receipt requested, at 919 West Main Street, P.O. Box 7305, Charlottesville, Virginia 22906, or such other physical address as provided by Habitat in writing, together with an executed copy of the offer, which notice shall constitute an offer to sell the Property to Habitat on the same terms and conditions as contained in the offer. Habitat may thereupon elect to purchase the Property on the same terms and conditions as contained in the offer. Habitat shall make such election by mailing notice to the Buyer by certified mail, return receipt requested, within three business days after its receipt of the aforementioned notice from the Buyer.

(b) If Habitat does not give written notice exercising its right to purchase within the three business day period, its right of first refusal as to the Property is waived and released in full at the designated price, or at any higher price, and Habitat shall join in a document in recordable form evidencing its waiver and release; provided, however, if closing on the Property to the third party purchaser does not take place, then the Property shall remain subject to the right of first refusal for the benefit of Habitat. If the Buyer decides to sell the Property at a price lower than the designated price, then the Buyer shall not sell the Property unless and until the Buyer has again offered the Property to Habitat at that lower price in the manner herein above set forth.

(c) Any purchase by Habitat under this right of first refusal shall be for cash and the deed of conveyance shall be a general warranty deed conveying good and marketable title, but subject to such restrictions, agreements and easements that may be of record that do not render title for the Property unmarketable. Closing shall occur within 60 days after Habitat exercises this right of first refusal.

(d) The right of first refusal is personal to Habitat and may be permanently released in writing by Habitat, in which event the Property may thereafter be sold or conveyed free and clear of the right of first refusal.

(e) The right of first refusal shall not apply to a transfer to any one or more persons who are spouses or lineal descendants (including by adoption) of the Buyer or who are spouses of such lineal descendants ("Lineal Descendants").

**APPRECIATION SHARING.** The deed to the property from Seller to Buyer shall include an "appreciation sharing" provision by which the Buyer shall grant to Habitat a right to a share of any appreciation realized upon transfer of the Property, including sale by a Trustee upon foreclosure, transfer by deed in lieu of foreclosure, refinancing, or other transfer for consideration. Habitat will share this appreciation share with any other lender(s) that require(s) appreciation sharing in accordance with the agreements between Habitat and such other lender(s). There shall be due and payable to Habitat, in addition to the then unpaid principal balance of any outstanding purchase money loan from Habitat, a share of "Appreciation in Value" of the property (defined below).

(a) The Appreciation in Value shall be computed as the difference between (i) the greater of the tax assessed value of the Property or the sales price net of payment of normal closing costs; and (ii) the "ownership basis" of the Buyer (the "Property Owner"). The "ownership basis" shall be the sum of the initial purchase price, plus the cost of any improvements actually made to the Property and paid for by the Property Owner, provided that the Property Owner either (i) produces receipts for said capital improvements to Habitat at the time of the sale showing payment for the costs thereof; or (ii) produces, at the Unit Owner's expense, an appraisal of the Property performed within ninety (90) days of the sale by an appraiser approved by Habitat which itemizes the value added to the Property by the said capital improvements.

(b) So long as the Property Owner or the Property Owner's Lineal Descendants own the Property, no Appreciation in Value share shall be due and payable to Habitat; provided, however, that appreciation sharing rules for other lenders may not exempt transfers to Lineal Descendants so appreciation sharing may be due to such lenders in the event of a refinance, sale, or conveyance to a Lineal Descendant.

Appreciation sharing with Habitat is required under the following conditions: if the Property is refinanced, sold or conveyed to a non-Lineal Descendant for the first time within thirty-six (36) months after the deed from Declarant to the Property Owner is recorded, 100% of the Appreciation in Value shall be paid to Habitat to be distributed by Habitat according to any separate agreements between Habitat and any other lender providing financing for the conveyance of the Property.

If the Property is refinanced, sold or conveyed to a non-Lineal Descendant for the first time within 37 to 60 months after this deed is recorded, the Property Owner shall be entitled to a percentage of Appreciation in Value equal to twice the percentage of the principal secured by the first deed of trust (recorded simultaneously with the deed) that the Property Owner has repaid as of the date that is (thirty) 30 days prior to the refinance, sale or conveyance, compared to the face value of principal owed -- up to a maximum of 50%.

If the Property is refinanced, sold or conveyed to a non-Lineal Descendant for the first time more than sixty (60) months after said deed is recorded, the Property Owner shall be entitled to 50% of the Appreciation in Value with the remaining 50% being paid directly to Habitat to be distributed by Habitat pursuant to a separate agreement between Habitat and/or any other lender providing financing for the conveyance of the Property to the Property Owner pursuant to the terms of the deeds of trust securing said financing of the Property.

**ILLEGAL ACTIVITY:** Borrower shall neither engage in, nor permit any invitee or occupant of the Property to engage in, illegal activity on or about the Property. Lender or its agent may make entries upon and inspections of the Property upon reasonable notice to Borrower. If Lender reasonably suspects that illegal activity is occurring at the Property then, in addition to reporting such activity to law enforcement, Lender may inspect the interior of the improvements on the Property upon reasonable notice to Borrower under the circumstances. Breach of this covenant shall be a default under the Deed of Trust and entitle Lender to all rights and remedies provided for herein including, without limitation, the right to acceleration and sale of the Property.

**MAINTAIN THE PROPERTY:** Grantee shall maintain the Property and the improvements thereon in at least the condition they were in when Grantee first took possession, reasonable wear and tear excepted. Breach of this covenant shall entitle Grantor, after 15 days' notice to Grantee, to enter the Property and perform necessary work to place the Property in compliance with this covenant. Grantee shall pay the reasonable costs incurred by Grantor pursuant to this covenant within 30 days after Grantor's demand therefor accompanied by a written invoice for such costs. Such costs shall be the Grantee's personal obligation and a continuing lien on the Property until paid. Grantor shall be entitled to enforce its lien if any of such costs remain unpaid 30 days after giving Grantee notice of its intent to do so.

**OCCUPANCY:** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Deed of Trust and shall



continue to occupy the Property as Borrower's principal residence for the term of the Loan unless Lender otherwise agrees in writing.

**HABITAT'S FINAL MORTGAGE:** Habitat's final mortgage will be forgiven pro rata over the life of the first mortgage. At the end of each year in which timely payments have been made on the first mortgage, a pro rata share of the last mortgage will be forgiven. At the end of the original first mortgage term, if the first mortgage has been paid off in a timely manner, the last mortgage will be completely forgiven as well.

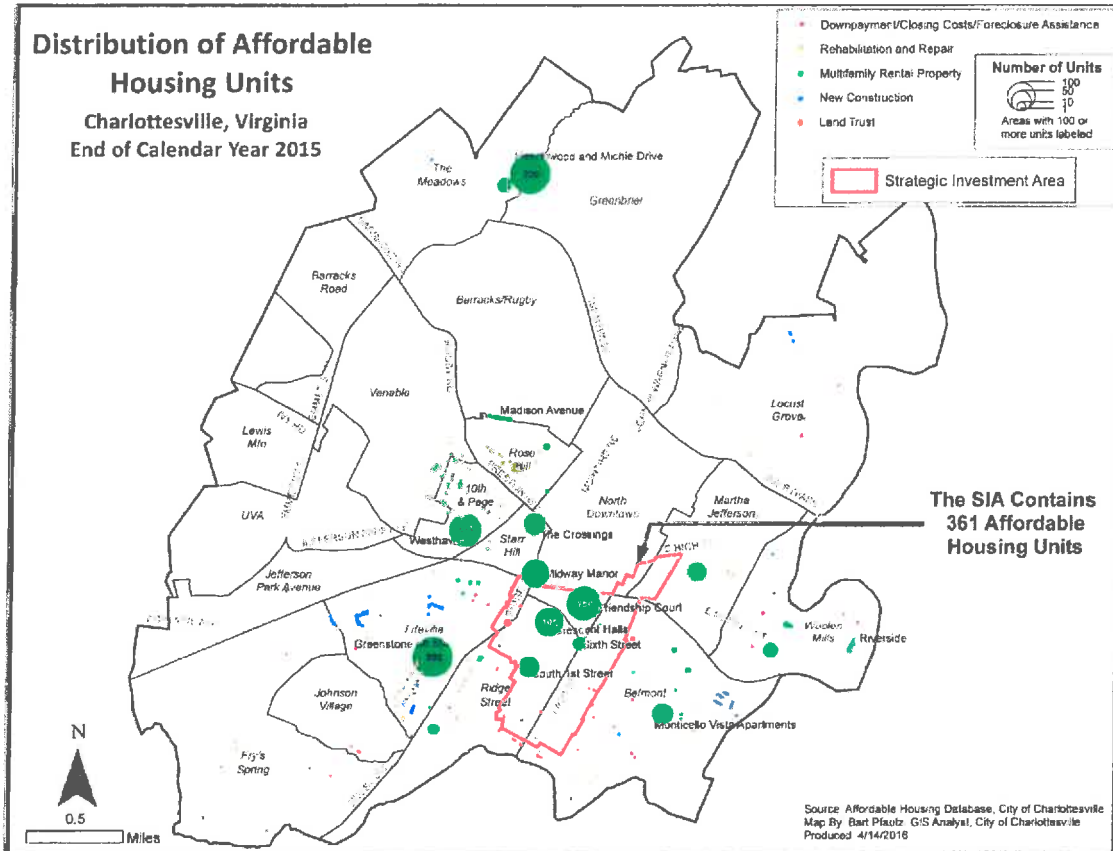
**V. Examples of Habitat Architecture at Lochlyn Hill (Always designed to be context-sensitive)**

Lochlyn Hill Habitat Row Homes



Lochlyn Hill Habitat Cottages on a Green

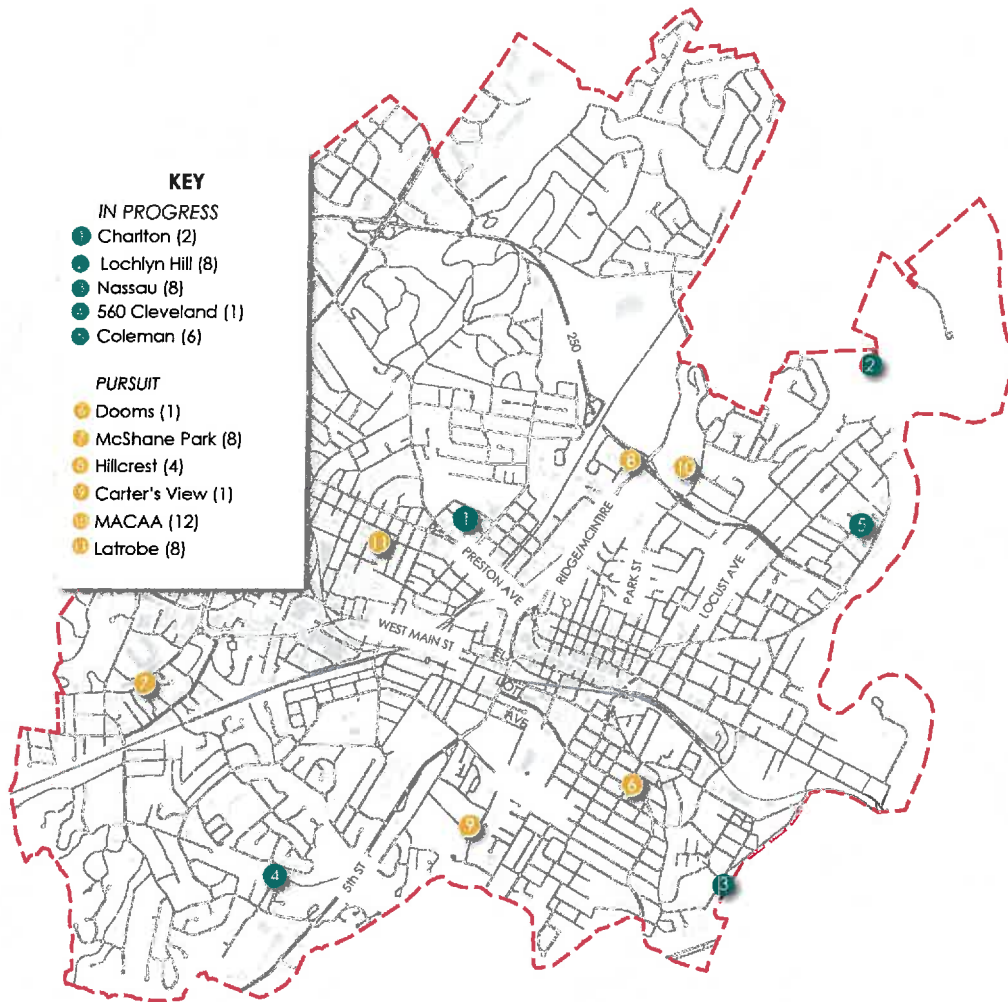
VI. City supported affordable housing map



**VII. Homes/Lot Purchases supported via August 2016 CAHF grant (P-0672)**



VIII. Habitat ongoing and pending projects + parcels in pursuit (City only)



**IX. Geographical Area/Demographic Groups**

Habitat’s service area is Charlottesville, Albemarle, Louisa and Greene.

Funding will be designated for families who live in targeted City neighborhoods, residents of public or subsidized housing, the elderly and other low/moderate income clientele. Habitat has made numerous efforts to attract applicants from public housing and/or hold a CRHA voucher and has initiated a program to work with families who need assistance to improve their credit so that they can qualify for the Habitat program. Seventy percent of the families selected to build homes at Sunrise Park came from CRHA public housing, from privately held subsidized housing or from the Housing Choice voucher program. Beneficiaries of these funds will primarily be City residents and/or be employed in the City and will earn between 25% and 60% of area median income.

**X. Outcomes/Performance Measurement**

Primary outputs of the grant are the construction and sale of 16 Habitat family homes.

The overall outcomes include significant equity for generations of families that will be lifted out of poverty via the Habitat homeownership program and better integration of and inclusion in City neighborhoods, fostering cultural sharing, understanding and mutual respect.

**Proposed timeline**

July/August 2017	FY '18 CAHF funds allocated
Fall 2017 –Summer 2018	Funds drawn down so that Habitat can purchase lots
Fall 2017- Spring 2019	Construction begins on homes as lots are delivered
2020	Homes built, grant closed out

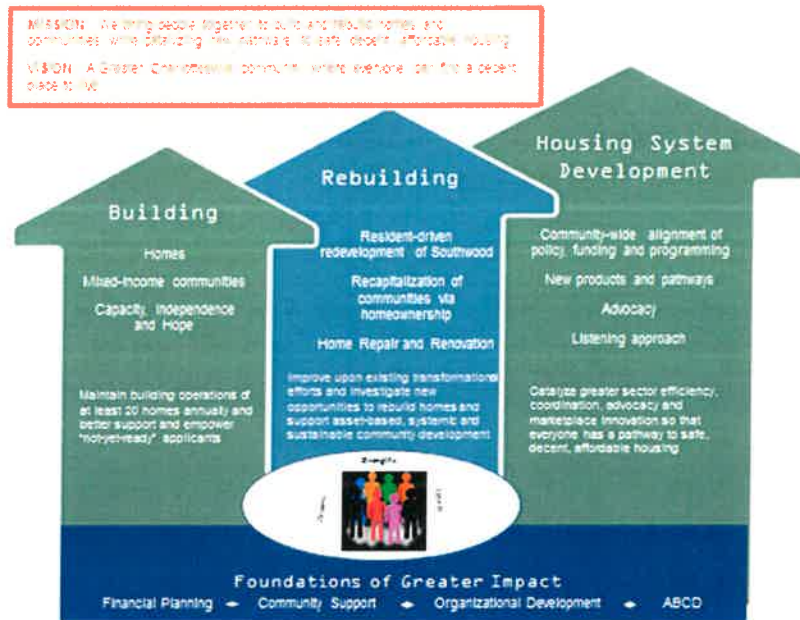
**XI. Organizational Capacity**

Since its founding in 1991, Habitat for Humanity of Greater Charlottesville has built 200 homes occupied by local low-income families. Our three year work in process shows us completing 59 homes. Additionally, Habitat has preserved affordable housing for more than 1,500 low-income residents through trailer park transformation.

Funding and lot inventory largely control the number of homeownership homes we build per year.

Habitat is in a good position to build the units mentioned in this proposal. We have completed or built in six mixed income communities locally. We also have a strong board, robust committees, a committed donor base and a dedicated staff. We also have a new five year strategic plan which calls for us to leverage our strength in home building and neighborhood revitalization in order to catalyze housing system development and directly or indirectly provide pathways to better housing for thousands of local, low-income residents. We believe that these efforts will help address local housing market failure and provide the beginning of systemic and sustainable

solutions to the acute housing crisis. The diagram below lists key goals, outputs and outcomes of our new strategic plan.



## **XII. Habitat Homebuyers**

At Habitat, we know that our greatest strength is our Partner Families. We have approved approximately 40 future homeowners who are currently providing sweat equity, taking home ownership classes, participating in community conversations and saving their down payment in preparation for purchasing their home and moving into their new communities. Their mortgages, combined with help from various subsidies, such as CAHF funds, allow us to carry on with our next building projects.

Applicants for Habitat Partner Family homes will be considered if they meet one of the following need criteria:

- 1) Homeless or living in transitional housing
- 2) Physical problems with the dwelling
- 3) Public Housing or Housing Choice Vouchers
- 4) Crowded housing
- 5) High crime neighborhood
- 6) Families who pay more than 40 percent of income in rent

Achieving homeownership through the Habitat program is not easy, but in almost every case, the process is transformative and leads to a break in the cycle of generational poverty. Of the 172 homes Habitat Families have purchased in the area, only four have foreclosed. Partner Families must complete a minimum of 100 hours of sweat equity for the family plus 100 hours for each adult who will live in the new home. Anyone who reaches the age of 18 at any time during the application process up through Board approval will be considered an adult. Sweat equity opportunities for the

disabled, elderly and others unable to partner this way are made through office work, through our resale store or at some other convenient venue such as fundraising events, community outreach opportunities, etc. Additionally, children of partner families may earn sweat equity by participating in our Youth United Program.

### **XIII. Recent Organizational History and Building Standards**

In 2013, Habitat completed work on Sunrise, the first trailer park transformation in the nation without resident displacement. In 2016, Habitat completed work on its sixth local mixed-income community. Currently, we are implementing **Project 20**, our promise to the community that we will build and sell a minimum of 20 homes per year in mixed-income neighborhoods.

Habitat also owns and maintains the Southwood Mobile Home Park with the goal of managing it responsibly for current residents and redeveloping it sustainably and compassionately as a mixed-income community without displacement for current and future residents. At 342 units with 1,500 people, Southwood is the largest single location of affordable housing in the area.

One of our goals is to build homes that are as sustainable and energy efficient as possible. All of our homes meet Energy Star 3.0 certification with several certified as LEED. We also follow the Federal Lead Based Paint regulations.

Additionally, all of our homes are designed for aging in place with first floor bedrooms and bathrooms, wider doorways and at least one zero step entry (if site conditions allow). We have built homes for senior citizens, as well as families with children and single individuals.

### **XIV. Long-Term Project Funding/Project Sustainability**

Homeowner mortgages are one of the biggest sources of funding for our homes, however, we also have grant funding commitments from the Self-Help Opportunities Program (funded by HUD through Habitat for Humanity International), churches, individual donors, civic groups, businesses and other means of fundraising. Additionally, a local donor has committed to match every private dollar donated toward **Project 20**. This gift will help more families achieve success, faster.

However, for us to sustain our homebuilding operations, we must insure that individual homes pay for themselves through mortgages and mortgage subsidies. As such, we are requesting \$480,000 in funding from the Charlottesville Affordable Housing Fund; it will be used for 16 families who earn between 25 and 60 percent of AMI. These families generally live in the local targeted neighborhoods, in Public Housing or are recipients of a Housing Choice Voucher. This support will allow us to reach into the long-term low income community, with an emphasis on providing a permanent hand up out of poverty to families who are at the lower end of our AMI scale and who have been in poverty situations for more than one generation. It will also allow us to meet the City's numerous goals of locating affordable housing integrated with market rate housing.

### **XV. Habitat for Humanity of Greater Charlottesville Relationship and Collaboration with Other Programs in the Community**

Habitat for Humanity of Greater Charlottesville relies on our ability to leverage partnerships. For example, at Southwood, home to approximately 1,500 of the most vulnerable local residents, we partner with more than 30 other local agencies to work with the current and future residents of the park.

In the homebuilding and repair realms, we work particularly closely with several local non-profits whose missions are closely aligned with ours. The Piedmont Housing Alliance (PHA) has been very helpful in referring potential partner families to us and has served families with housing needs, but with incomes above our 60% of AMI threshold. We consider Albemarle Housing Improvement Program (AHIP) a close partner as our clientele tends to overlap and we undertake joint projects like “A Brush with Kindness” and “Block by Block Charlottesville.” Additionally, we are continuing to work with the Charlottesville Redevelopment and Housing Authority to identify residents (in public housing and with housing choice vouchers), who will become Habitat Family Partners, and help them make the transition to new housing. We are also exploring a partnership with five CRHA families who live in scattered site public housing units who may wish to purchase the home in which they live.

Additionally, we have partnered with the Thomas Jefferson Community Land Trust to construct the first land trust homes in the state of Virginia and have helped Region X construct a group home in our Paton Street neighborhood. We are also part of a partnership with The Charlottesville Abundant Life Ministries to create new mixed-income, mixed-use opportunity, Harmony Ridge, in the City.

We have also partnered with a variety of jobs training programs through the City of Charlottesville, CRHA, CATEC, The Blue Ridge Detention Center and PVCC to provide internship and job skills opportunities to low-income residents of the area. Finally, we collaborate with dozens of civic groups, faith organizations and businesses in our community, who participate as house sponsors and volunteers.

#### **XVI. Consistency with Charlottesville’s Goals and Objectives**

Our funding request is based on numerous goals and objectives in the Comprehensive Plan and in the City Council vision statement.

##### **From the City Council Vision:**

Our neighborhoods retain a core historic fabric while offering housing that is affordable and attainable for people of all income levels, racial backgrounds, life stages, and abilities.

##### **From the Housing Chapter of the Comprehensive Plan:**

**Vision:** In order to be a truly world class city, Charlottesville must provide sufficient housing options to ensure safe, appealing, environmentally sustainable and affordable housing for all population segments and income levels, including middle income.

**Goal 2:** Maintain and improve the City’s housing stock for residents of all income levels

**Goal 3:** Grow the City’s housing stock for residents of all income levels

3.2 Incorporate affordable units throughout the City, recognizing that locating affordable units throughout the community benefits the whole City

3.3 Achieve a mixture of incomes and uses in as many areas of the City as possible



**Goal 4:** Promote an assortment of funding initiatives to meet the needs of owners, renters and the homeless with varying levels of income

4.2 Continue to fund programs that provide assistance to those unable to afford market rate housing options in the City

4.3 Promote long-term affordability of units by utilizing industry strategies and mechanisms

**Goal 5:** Support projects and partnerships (i.e. private, non-profits, private developers and governmental agencies) for affordable housing, including workforce housing and mixed-use and mixed-income developments

5.7 Support housing programs at the local and regional level that encourage mixed income neighborhoods and discourage the isolation of very low and low income household

**Goal 7:** Offer a range of housing options to meet the needs of Charlottesville's residents, including those presently underserved, in order to create vibrant residential areas or reinvigorate existing ones

7.3 Encourage appropriate design so that new supported affordable units blend into existing neighborhoods, thus eliminating the stigma on both the area and residents

**Goal 8:** Ensure that the city's housing portfolio offers a wide range of choices that are integrated and balanced across the city to meet multiple goals including: increased sustainability, walkability, bikeability, and use of public transportation, augmented support for families with children, fewer pockets of poverty, sustained local commerce and decreased student vehicle use

8.1 Encourage mixed-use and mixed-income housing developments.

8.7 Encourage the incorporation of green sustainable principles (e.g. LEED, Earthcraft Virginia, Energy Star, etc.) in all housing development to the maximum extent feasible both as a way to be more sustainable and to lower housing costs

Throughout the plan, it is made clear that housing is fundamental to social inclusion and that housing and jobs go hand in hand. With the help of CAHF funds, these Habitat homes will be places that expand a sense of prosperity and community to 16 local families who have been working to achieve this dream.

#### **XVII. Reinvestment in the Community/Social Outcomes/Cost Avoidance:**

In 2014, the Weldon Cooper Center for Public Service performed an economic impact study, focusing on the effects of Habitat home building in the community. The study can be found in its entirety at <http://cvillehabitat.org/eis>. The findings in this study describe the large return on investment that the City gets when it partners with Habitat. Among the most relevant statistics are:

**\$8.3m** – Habitat’s Annual Industrial Impact on the Community in 2013

**10x** – The transformation of the Sunrise Trailer Court into a mixed-income development increased tax revenues by a factor of 10, from \$11,000 in personal property tax to \$110,000 annually post-redevelopment

**\$6m** – The amount of home equity earned by Habitat partner families from 1991-2013

**\$8m** – The amount of mortgage interest savings accrued by our families from 1991-2013 via our zero interest mortgage program

**100** – The percentage of families who reported that their lives had improved since becoming Habitat partner families

**29/30** – Families who reported a change in their children’s grades for the better after purchasing a Habitat home

**\$21m** – Rehousing Cost avoidance for local municipalities of Habitat’s commitment to non-displacement at the Southwood Mobile Home Park

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



Agenda Date:	September 18, 2017
Action Requested:	None
Presenter:	Dan Sweet, Stormwater Utility Administrator
Staff Contacts:	Dan Sweet, Stormwater Utility Administrator Lauren Hildebrand, Utilities Director
<b>Title:</b>	<b>Stormwater Utility Program Update</b>

**Background:**

In 2013 City Council adopted a Stormwater Utility to provide a programmatic response to address the City's municipal stormwater needs. The Stormwater Utility originated on January 1, 2014. The Stormwater Utility is operated and executed in accordance with the multi-year business plan for fiscal years 2014-2018 included in the Stormwater Utility package adopted by Council. The Stormwater Utility is in its fourth year of operation.

**Discussion:**

The Stormwater Utility administration has been largely successful with a high collection rate and no significant billings errors. Customer service has gone very well with the most intense volume following initial billing. There have been several consistent customer service themes including drainage issues and runoff characteristics of individual properties and impervious areas. The Stormwater Utility has been operating through three audited fiscal years (FY14-FY16). In general, actual expenditures are in line with planned expenditures. Over the 2.5 year period represented by the FY14-FY17 financials, \$4.72 million in fees were collected and \$3.32 million of the fees has been spent.

The Stormwater Conveyance System Rehabilitation Program was initiated in 2009 and the work was increased with the launch of the Stormwater Utility. The goal of the program is the rehabilitation, replacement, and repair of vitrified clay and corrugated metal pipes and associated structures located in the City right-of-way and on City owned parcels. To date, approximately 9 miles of clay and metal pipe, 1 mile of concrete or plastic pipe, and 120 structures have been rehabilitated. A total of \$5.7 million dollars in pre-utility and Stormwater Utility funds have been spent.

The Chesapeake Bay Total Maximum Daily Load (TMDL) is a federal mandate to restore the Chesapeake Bay. The City is required to reduce phosphorus, nitrogen, and total suspended solids (sediment) pollution via requirements embedded in the Municipal Separate Stormwater Sewer System (MS4) permit issued by the Virginia Department of Environmental Quality (DEQ). DEQ approved the City's first Chesapeake Bay TMDL Action Plan in December of 2015. The City is largely compliant with the required pollutant reductions over the 15 year compliance period with

nitrogen attainment at 64%, phosphorus attainment at 100% and total suspended solids at 186%.

The City-wide Water Resources Master Plan was included in the Stormwater Utility program adopted by Council. The Master Plan was initiated in 2016. The final product, completed in April 2017, is a drainage improvement and water quality capital improvement plan (CIP) that ranks and prioritizes projects in reference to available funding. This dynamic tool will continue to be updated allowing changes in regulations and program priorities and funding and incorporation of new projects. Work on high priority drainage and water quality projects has been initiated.

The current focus of the Stormwater Utility program is customer service, Master Plan project implementation, continued progress towards attainment of the required nitrogen reductions, maintaining the pace and progress of the Stormwater Conveyance System Rehabilitation Program, and exploring partnerships to achieve social and economic benefits while simultaneously improving local and regional water resources.

The multi-year business plan ends on June 30, 2018. The current plan is to structure FY19 as a transition year to focus on spending down the capital fund balance via project implementation. Staff is proposing presenting a multi-year business plan (FY20-FY24) and associated Stormwater Utility fee rate for Council's consideration and approval in 2018.

**Alignment with City Council's Vision and Strategic Plan:**

The Stormwater Utility program supports City Council's "Green City" vision. It contributes to Goal 3 of the Strategic Plan: a beautiful and sustainable natural and built environment. Objective 3.2, to provide reliable and high quality infrastructure and objective 3.4, to be a responsible stewards of natural resources are specifically addressed.

**Community Engagement:**

During the first year of Stormwater Utility operations, meetings were held with neighborhood association leaders and aligned non-profits. Community engagement is regularly achieved through customer service ranging from billing inquiries to drainage complaints. A cross section of the community is engaged periodically throughout the year during meetings of the Water Resources Protection Program (WRPP) Advisory Committee.

**Budgetary Impact:**

There is no impact to the budget

**Recommendation:**

Staff recommends continued support from Council for the Stormwater Utility Program

**Alternatives:**

There are none to be considered at this time.

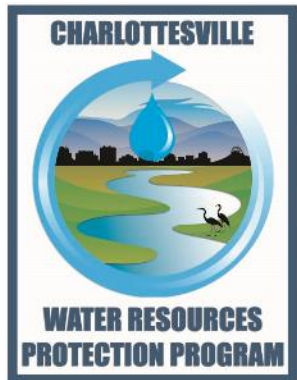
**Attachments:**

Stormwater Utility Program Update Presentation



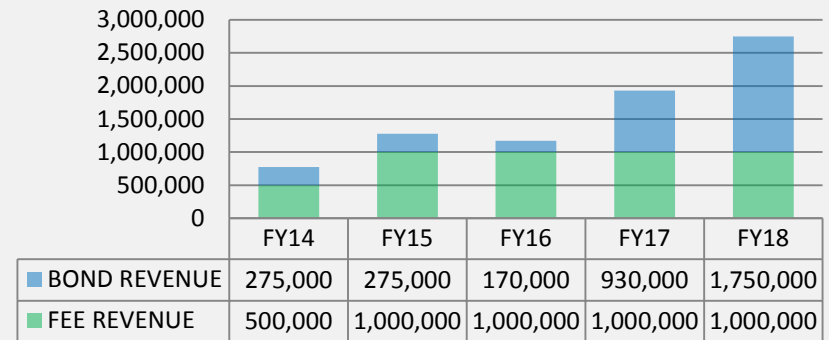
# Stormwater Utility Program Update

- March 2013 – passed stormwater utility ordinance/fee to provide dedicated funding source for the Water Resources Protection Program
- Includes a 4.5 year (FY14-FY18) business plan funded through a mix of fees and bond sales
- Generally funds new and enhanced program elements with pre-utility stormwater programs remaining in general funds

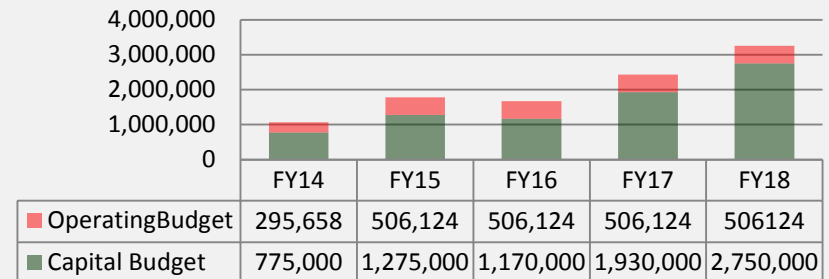


- *COMPLY WITH FEDERAL AND STATE STORMWATER REGULATIONS*
- *REHABILITATE THE CITY'S AGING STORMWATER SYSTEM*
- *ADDRESS DRAINAGE AND FLOODING PROBLEMS*
- *PURSUE ENVIRONMENTAL STEWARDSHIP*

## Capital Spending: Fees vs. Bonds



## Utility Budget: Operations Versus Capital





# Stormwater Utility Program Update

## Stormwater Utility Fee Administration

- 4.76 million in fees FY-14-16
- Average residential bill ~\$40-\$70 annually
- Collection rate >99%
- No significant errors with billing
- \$310,006 in additional stormwater fees versus plan (6% increase)
- Petition for Adjustments successful
- Credits and Incentives not fully utilized
- Homeowner assistance implemented

## Common Customer Service Themes

- Drainage Issues
- Gravel, pavers, decks, bricks and similar surface considered impervious
- Fee considered a financial hardship
- Stormwater Utility Fee credit program
- Runoff characteristics of the property and/or impervious areas on the property





# Stormwater Utility Program Update

## FY14-FY16 Multi-Year Budget - \$4.38 million

\$494,497  
PLANNED FUND BALANCE  
11%

\$746,235  
SALARIES AND BENEFITS  
17%

\$561,671  
OPERATING EXPENSES  
13%

\$80,558  
DEBT SERVICE  
2%

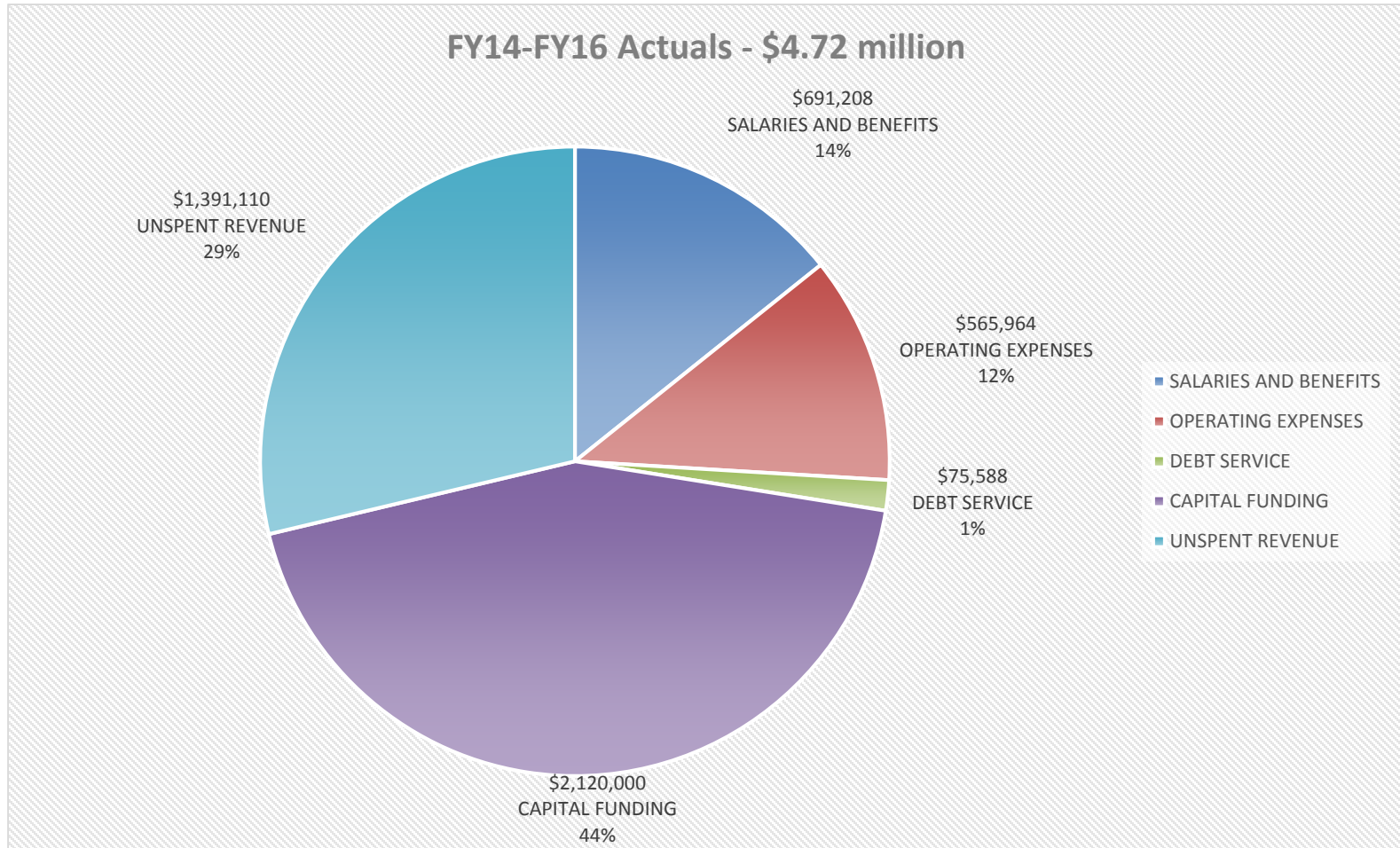
\$2,500,000  
CAPITAL FUNDING  
57%

- SALARIES AND BENEFITS
- OPERATING EXPENSES
- DEBT SERVICE
- CAPITAL FUNDING
- PLANNED FUND BALANCE





# Stormwater Utility Program Update

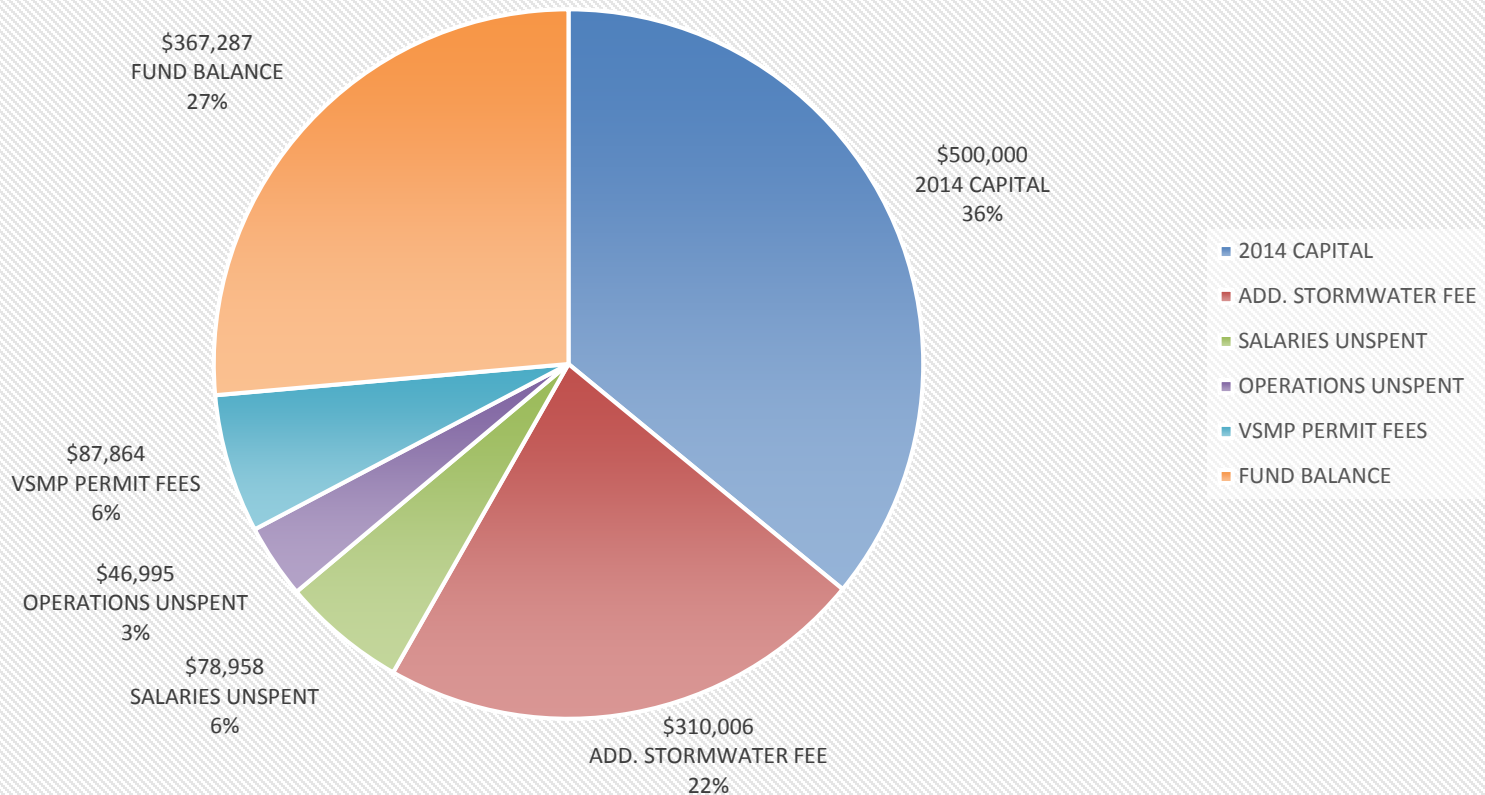






# Stormwater Utility Program Update

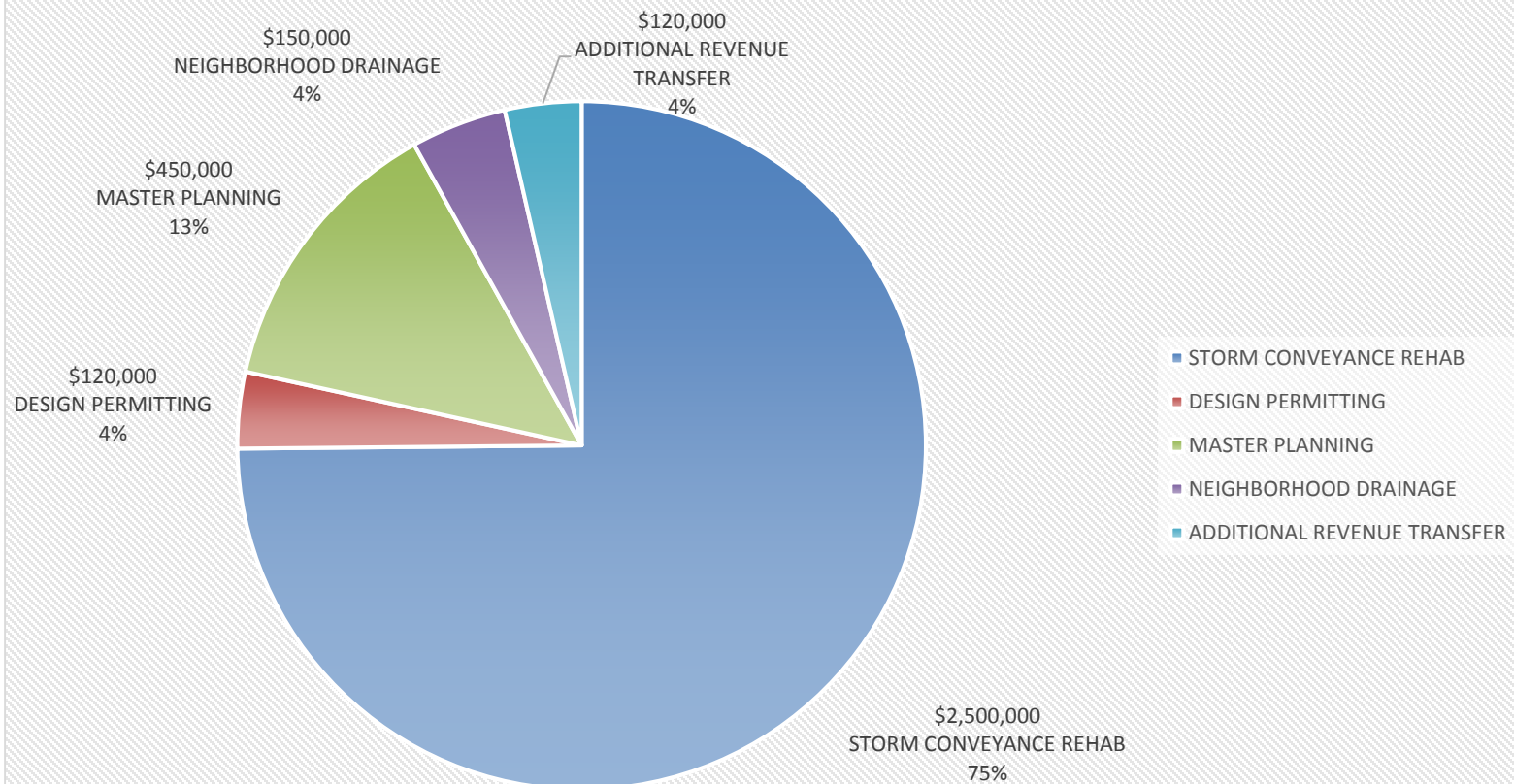
FY14-16 Fund Balance - \$1.4 million





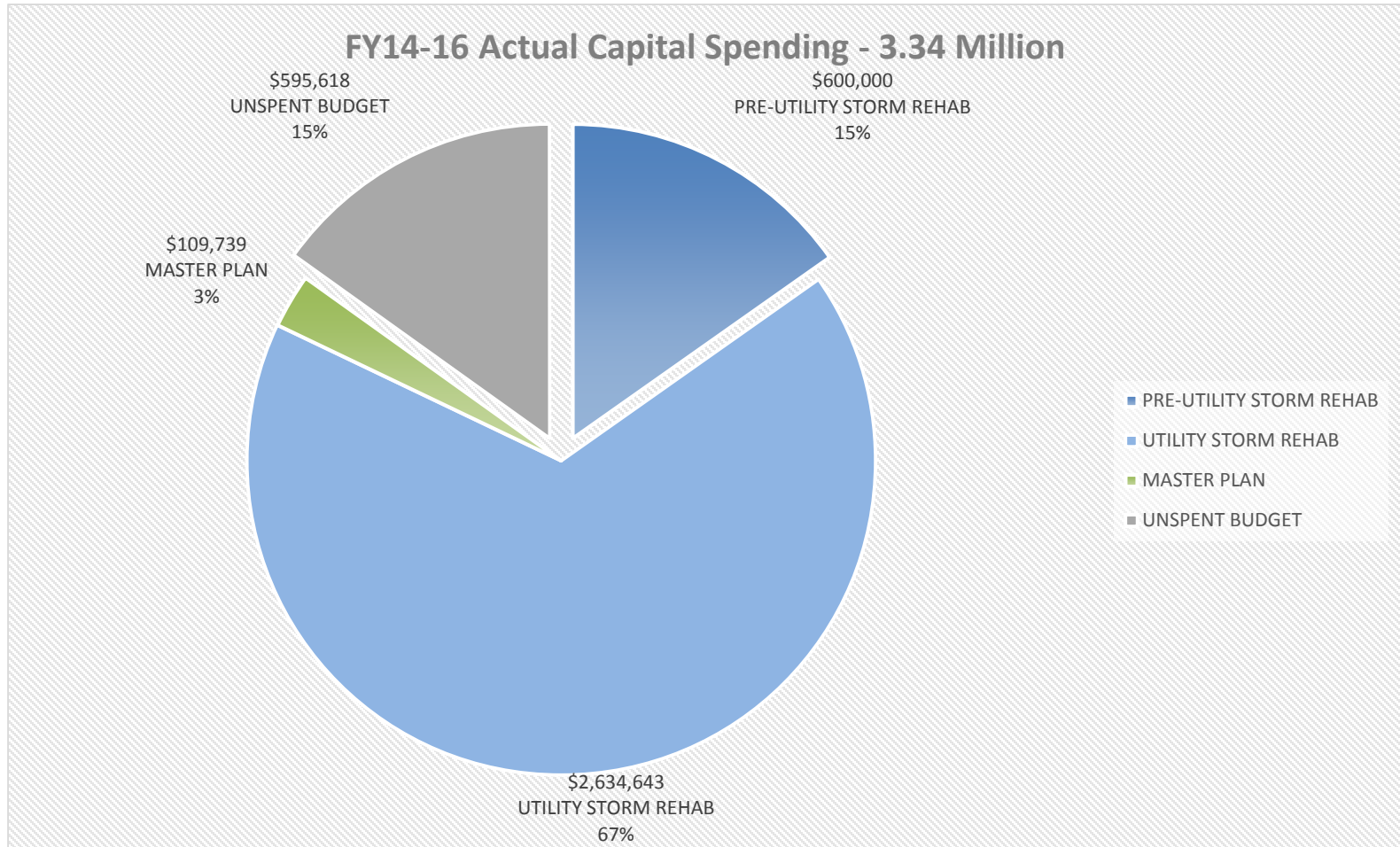
# Stormwater Utility Program Update

FY14-16 Capital Planned Spending - 3.34 million





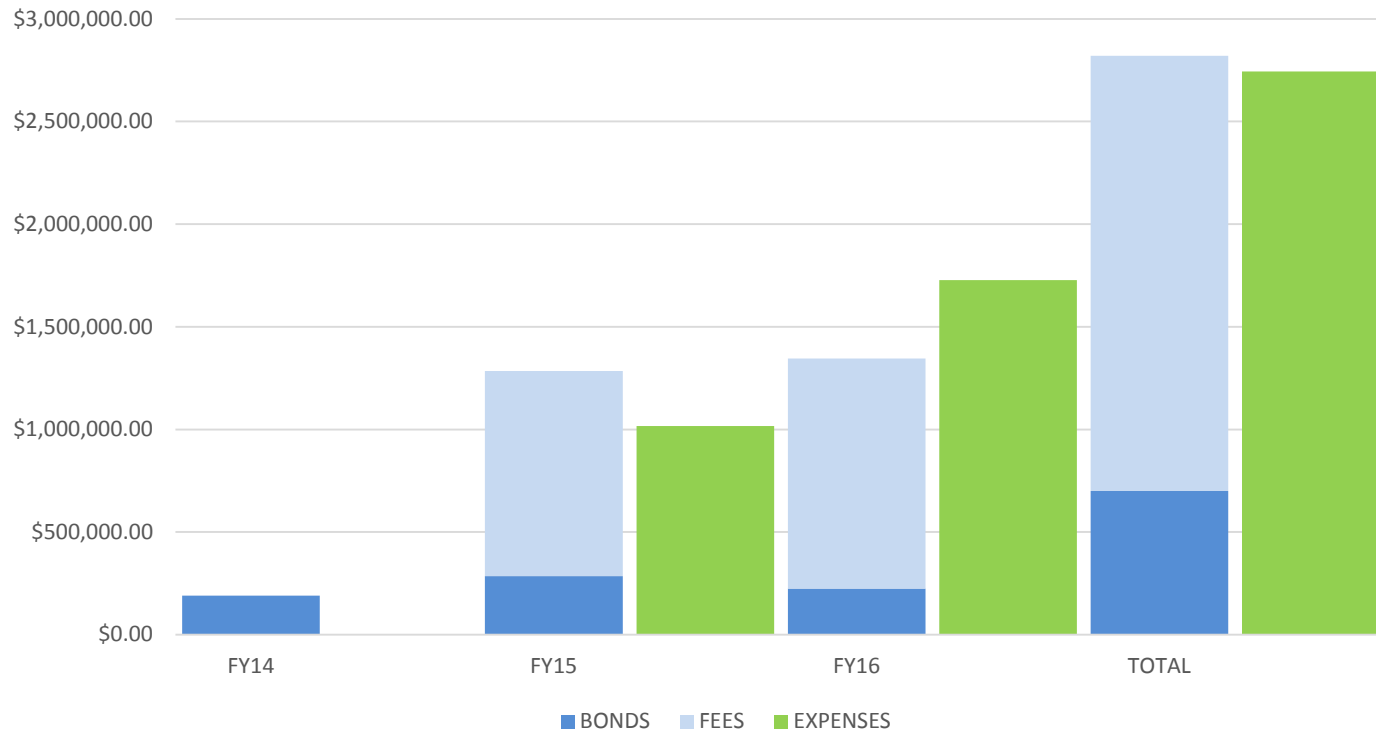
# Stormwater Utility Program Update





# Stormwater Utility Program Update

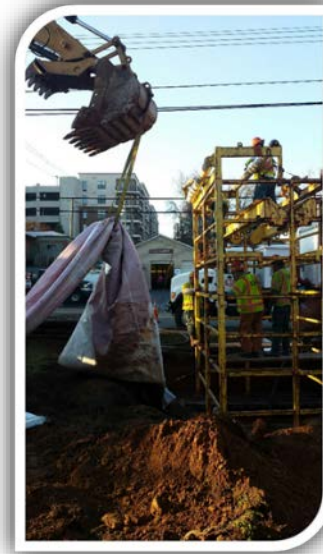
## CAPITAL FUNDING / SPENDING





# Stormwater Utility Program Update

- Stormwater Conveyance System Rehabilitation Program since 2009.
  - Rehabilitation, replacement, and repair of vitrified clay and corrugated metal pipes and associated structures located in the City right of way and on City owned parcels.
  - To date, approximately 10 miles of pipe (9 miles of clay and metal) and 120 structures have been rehabilitated and \$5.7 million spent.
- The City-wide Water Resources Master Plan was initiated in 2016.
  - The final product, completed in April 2017, is a drainage improvement and water quality capital improvement plan (CIP) that ranks and prioritizes projects in reference to available funding. This dynamic tool will continue to be updated to incorporate new projects, changes in regulations and program priorities and funding.





# Stormwater Utility Program Update

*HOLISTIC PLAN FOR MEETING  
TMDL GOALS, INTEGRATING  
WATER QUALITY PROTECTION  
WITH DRAINAGE SYSTEM  
IMPROVEMENT PROJECTS*

2014  
Stormwater Utility  
Enacted

December 2015  
CB TMDL Plan  
Approved

December 2016  
Contract  
Modification #2

July 2015  
Master Plan Contract  
Awarded to AMEC

March 2016  
Contract Modification  
#1

April 2017  
Work Complete

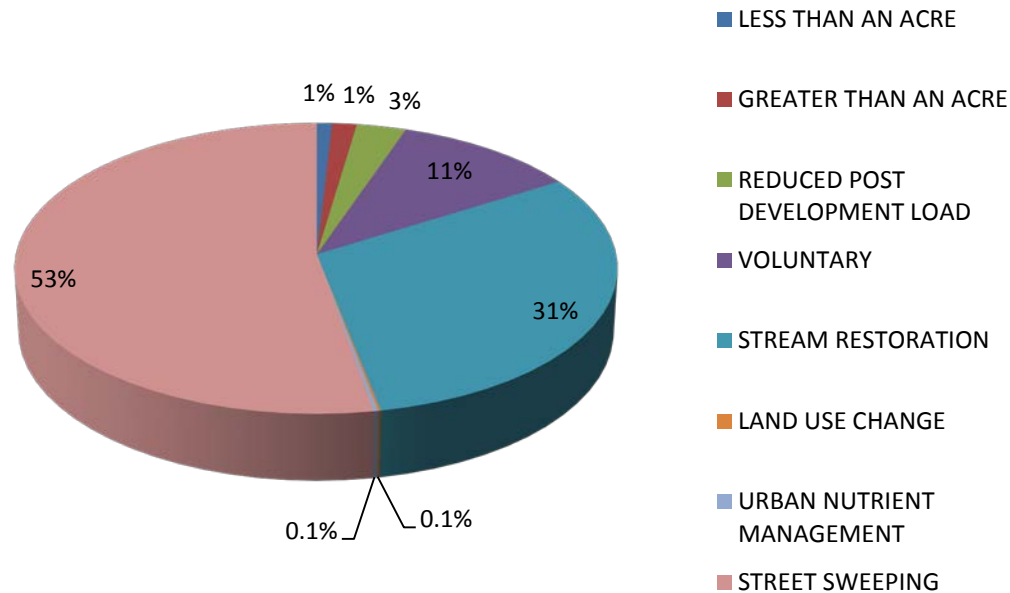
POC	% COMPLIANCE
N	64.2%
P	100.1%
TSS	186.0%





# Stormwater Utility Program Update

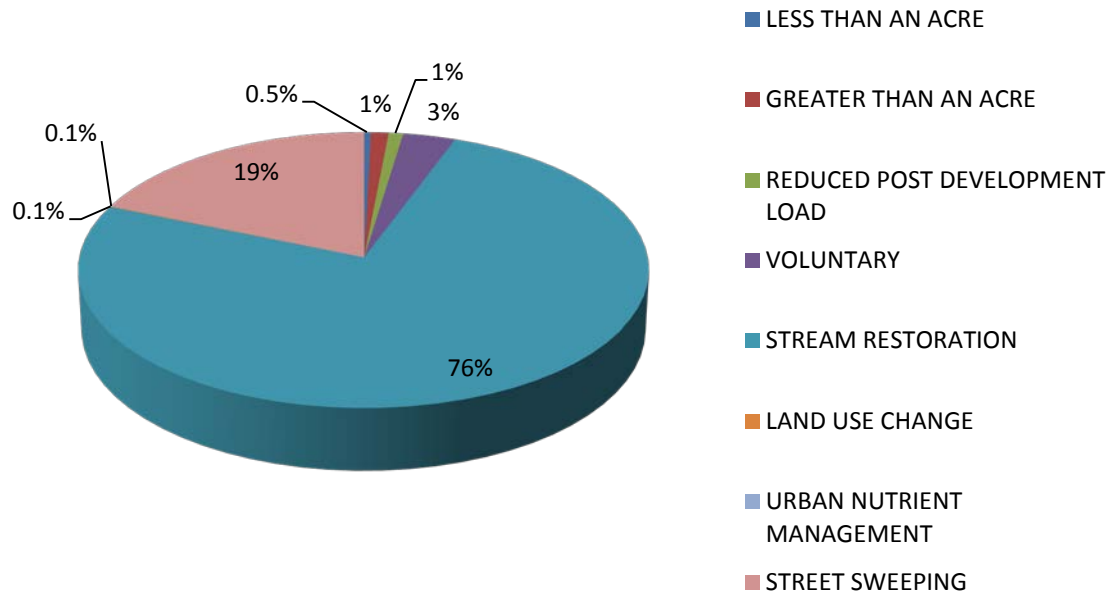
## Nitrogen Reductions





# Stormwater Utility Program Update

## Phosphorus Reductions

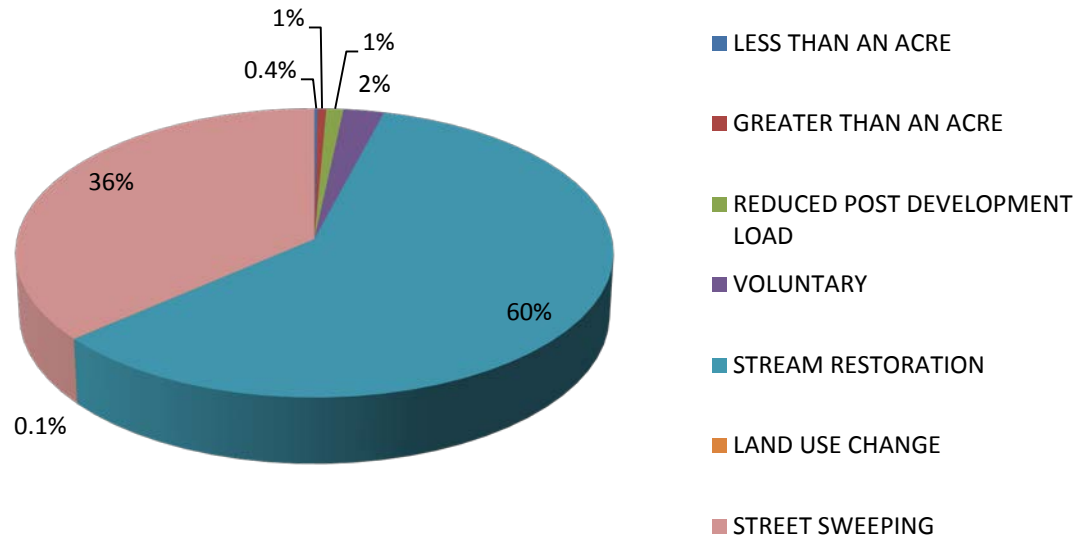






# Stormwater Utility Program Update

## Sediment Reductions





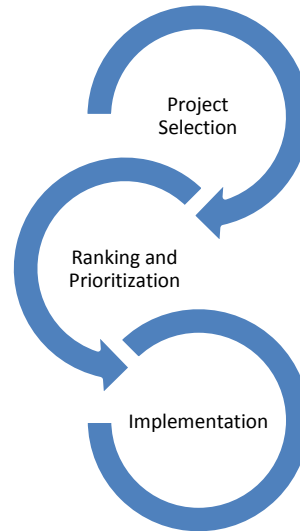
# Stormwater Utility Program Update

## Selection Criteria

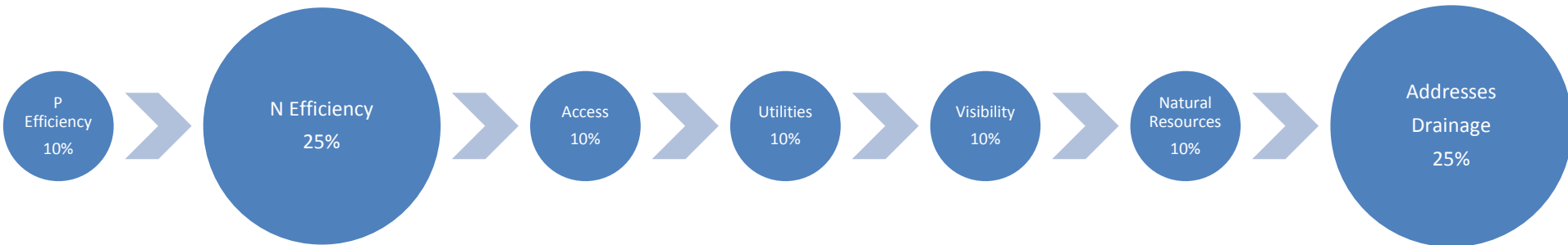
- Cost Effectiveness
- Local Water Resources Improvement
- Community Benefit
- City lands
  - No right-of-way green infrastructure stormwater
  - No Parks (except stream restoration)

## Findings

- Distributed green infrastructure is too expensive
- 5-20 acres minimum drainage area
- Small projects may be best at community benefit
- Managing for one pollutant of concern is a major shift in strategy
- No good data on maintenance costs



**Water Quality - CIP#1**  
\$350,000 pre-construction  
\$800,000 construction





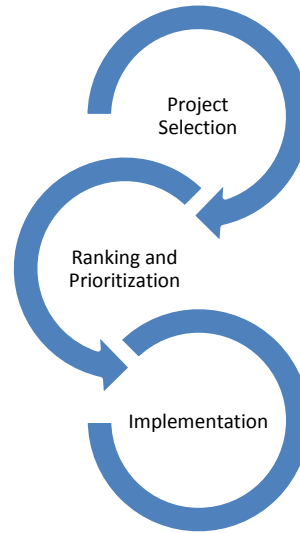
# Stormwater Utility Program Update

## Selection Criteria

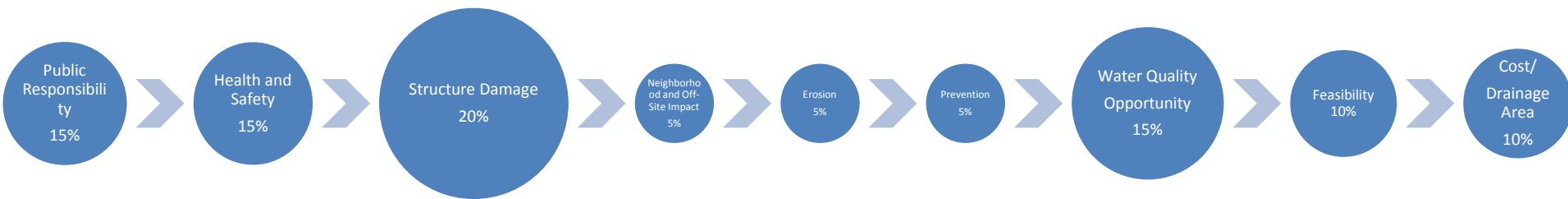
- City Drainage Policy
- Integrate Water Quality
- Feasibility

## Findings

- Public/Private Drainage is complicated
- Small projects that merit addressing can cost big bucks
- Opportunities abound to incorporate water quality improvements into drainage improvements
- Demand may likely always exceed funding
- Challenging to secure easements and permissions from private owners

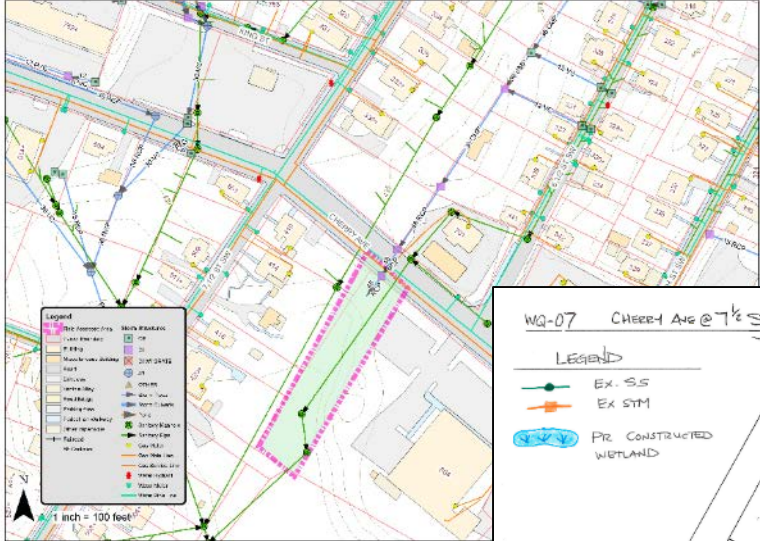


**Drainage - CIP#2**  
**\$350,000 pre-construction**  
**\$1,200,000 construction**

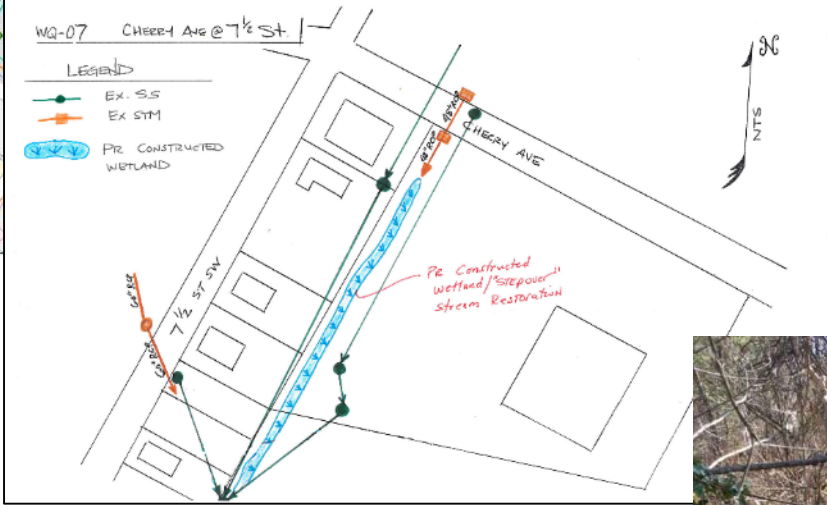


# CIP#1 Highest Ranking Project

WQ-07\_CHERRY AVE. @ 7 1/2 St



Drainage Area	Phos. Reduction (lbs)	Nitrogen Reduction (lbs)	Ownership Scenario	Total Cost	\$/lb of P removed	\$/lb of N removed
25.4	13.7	42.2	Private	84,000	6,154	1,990

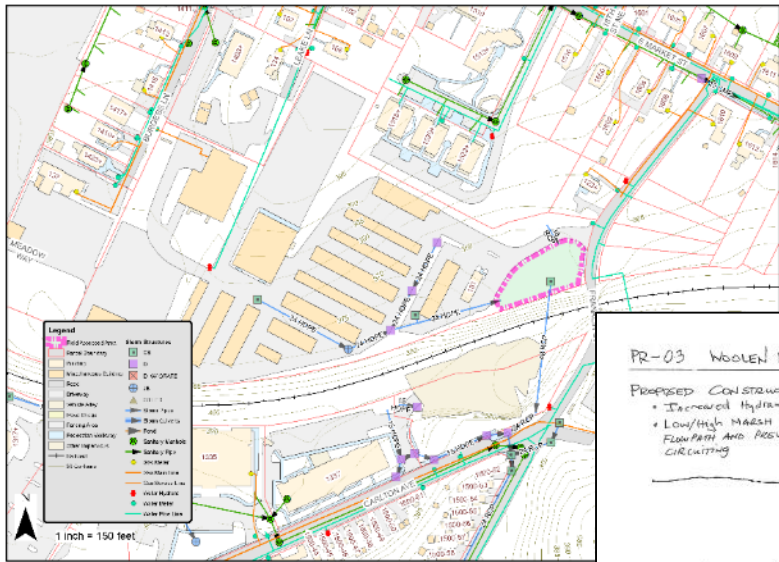


10%	25%	10%	10%	10%	10%	25%
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Cost Efficiency P	Cost Efficiency N	Access Constraints	Utility Constraints	Visibility	Natural Resources	Addresses Drainage Issue
3	3	3	2	2	3	2

# CIP#1 Second Highest Ranking Project

PR-03\_WOOLEN MILLS



Drainage Area	Phos. Reduction (lbs)	Nitrogen Reduction (lbs)	Ownership Scenario	Total Cost	\$/lb of P removed	\$/lb of N removed
9.7	4.1	12.2	Private	93,076	22,646	7,661



10%	25%	10%	10%	10%	10%	25%
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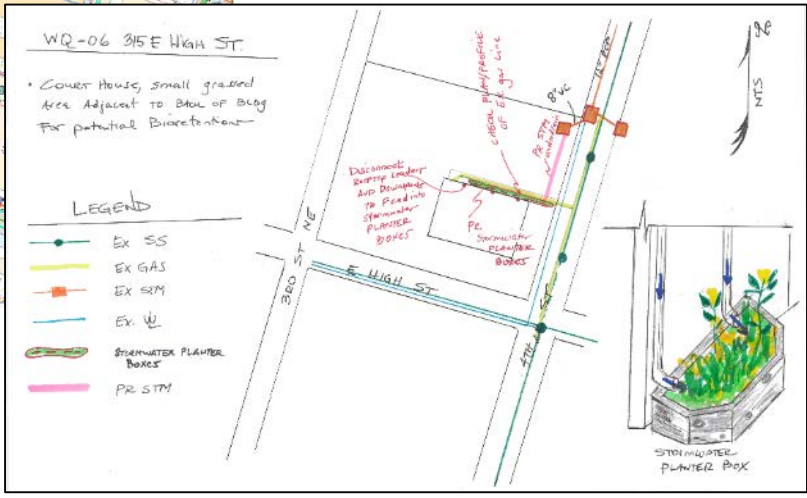
Cost Efficiency P	Cost Efficiency N	Access Constraints	Utility Constraints	Visibility	Natural Resources	Addresses Drainage Issue
3	3	3	3	2	3	1

# CIP#1 Lowest Ranking Project

WQ-06\_315 E HIGH STREET



Drainage Area	Phos. Reduction (lbs)	Nitrogen Reduction (lbs)	Ownership Scenario	Total Cost	\$/lb of P removed	\$/lb of N removed
0.13	0.09	0.3	City	56,123	623,594	193,529



10%	25%	10%	10%	10%	10%	25%
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Cost Efficiency P	Cost Efficiency N	Access Constraints	Utility Constraints	Visibility	Natural Resources	Addresses Drainage Issue
1	1	3	2	2	3	1

# CIP#2 Highest Ranking Project

12%	12%	12%	4%	4%	4%	15%	25%	10%
Public Responsibility	Public Health and Safety	Structural Damage	Neighborhood and Off-Site Impact	Erosion	Prevention	WQ Opportunity	Feasibility	Cost/Drainage Area

DR-03\_Rives Street & Hampton :

1.75

1

2

2

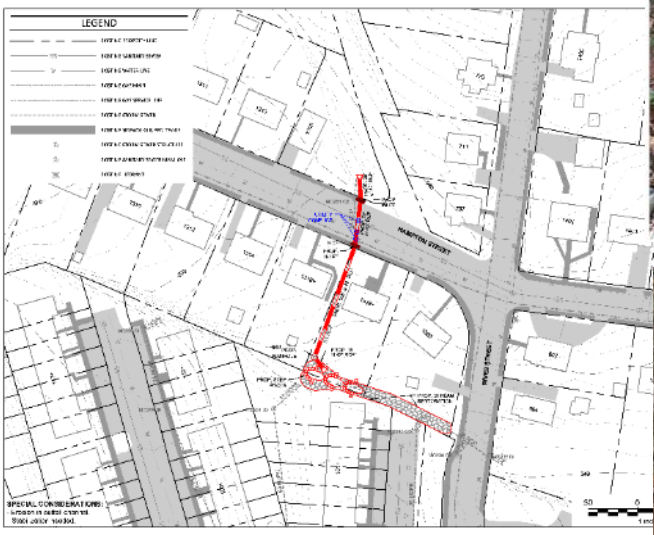
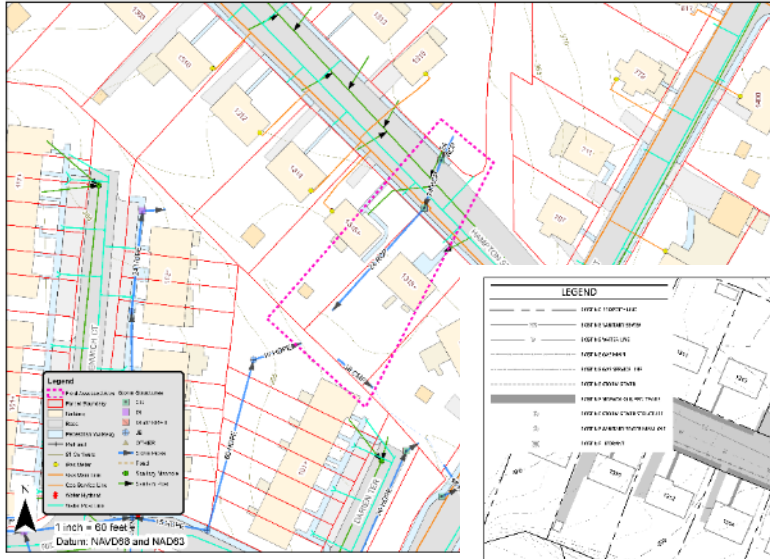
3

3

3

2

3



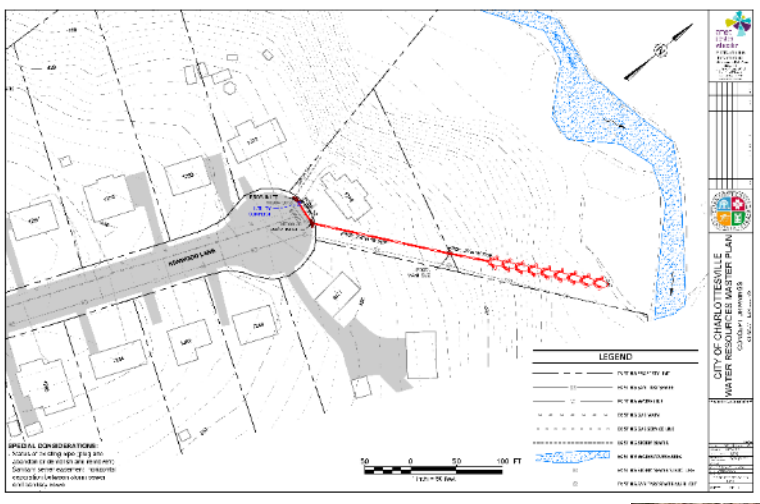
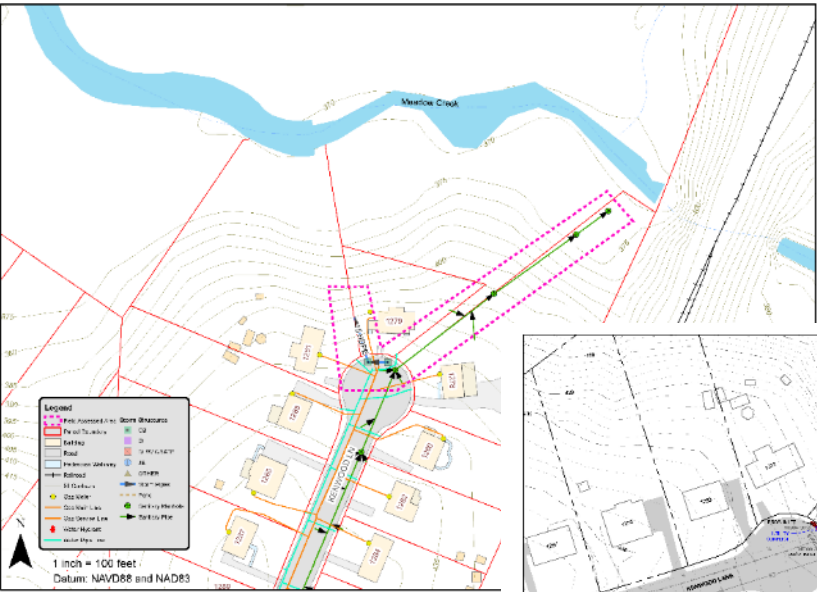
Rank	Total Cost (\$)	DA (Ac)	\$/AC
1	327,660.48	39.7	8,253.41

# CIP#2 Low Ranking Project

15%	15%	20%	5%	5%	5%	15%	10%	10%
Public Responsibility	Public Health and Safety	Structural Damage	Neighborhood and Off-Site Impact	Erosion	Prevention	WQ Opportunity	Feasibility	Cost/Drainage Area

1.5      1      1      1      3      2      1      2      1

DR-09\_1279 Kenwood Lane



Outfall pipe



Rank	Total Cost (\$)	DA (Ac)	\$/AC
17	314,978.30	0.9	349,975.89



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



Agenda Date: September 18, 2017

Action Requested: Vote on resolution

Presenter: Vice Mayor Wes Bellamy

**Title: Resolution to Celebrate Indigenous Peoples Day**

**Background:**

Vice Mayor Bellamy presented the attached resolution entitled “Resolution to Celebrate Indigenous Peoples Day” for vote by the Council.

**Attachments:**

Proposed resolution

**RESOLUTION**  
**to Celebrate Indigenous Peoples Day**

Recognizing the Second Monday of October as Indigenous Peoples Day

Whereas, the City of Charlottesville understands that in order to help close the equity gap, government entities, organizations and other public institutions should change their policies and practices to better reflect the experiences of American Indian people and uplift our country's Indigenous roots, history, and contributions; and

Whereas, the idea of Indigenous Peoples Day was first proposed in 1977 by a delegation of Native nations to the United Nations-sponsored International Conference on Discrimination Against Indigenous Populations in the Americas; and

Whereas, in 1990 representatives from 120 Indigenous nations at the First Continental Conference on 500 Years of Indian Resistance unanimously passed a resolution to transform Columbus Day into an occasion to strengthen the process of continental unity and struggle towards liberation, and thereby use the occasion to reveal a more accurate historical record; and

Whereas, the United States federal government, the State of Virginia, and the City of Charlottesville recognize Columbus Day on the second Monday of October, in accordance with the federal holiday established in 1937;

Now, Therefore, Be It Resolved by the City Council that the City of Charlottesville shall recognize Indigenous Peoples Day on the second Monday in October.

Be It Further Resolved that the City of Charlottesville shall continue its efforts to promote the well-being and growth of the Charlottesville American Indian and Indigenous community.

Be It Further Resolved that Indigenous Peoples Day shall be used to reflect upon the ongoing struggles of Indigenous people on this land, and to celebrate the thriving culture and value that Indigenous nations add to our city.

Be It Further Resolved that the City of Charlottesville encourages other businesses, organizations and public entities to recognize Indigenous Peoples Day.

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



Agenda Date:	September 18, 2017
Action Requested:	Vote on resolution
Presenter:	Councilor Kathy Galvin Vice Mayor Wes Bellamy
<b>Title:</b>	<b>Statement of Economic Principles</b>

**Background:**

Vice Mayor Bellamy and Councilor Galvin presented the attached resolution entitled “Statement of principles for a creative, equitable, place-based economy” for discussion and vote by the Council.

**Attachments:**

Proposed resolution

**RESOLUTION**  
**Principles for a Creative, Equitable, Place-based Economy**

**WHEREAS** the City of Charlottesville [herein referred to as the City] has a Strategic Plan that calls for: 1.) a community of self-sufficient, resilient, and empowered residents; 2.) a healthy and safe city; 3.) a beautiful and sustainable natural and built environment; 4.) a strong and diversified economy; and 5.) a well-managed and responsive government.

**WHEREAS** the Charlottesville Comprehensive Plan's vision for economic sustainability is built upon a competitive workforce; innovation; strengthening existing businesses and community partnerships; tourism and the downtown mall;

**WHEREAS** the City embraces **creativity**, innovation and growing a diverse, skilled workforce and entrepreneurial class;

**WHEREAS** the City is committed to **equity** and ensuring that economic mobility, access to opportunity and prosperity are available to all citizens, regardless of age, gender, gender preference, race, religion or ethnicity;

**WHEREAS** the City is a **healthy, sustainable and authentic place** that thrives while safeguarding the health of our planet.

**BE IT RESOLVED** that the City Council adopts the following principles for a creative, equitable, place-based economy.

**#1:** Grow, diversify and support a local creative economy in a wide array of sectors, including but not limited to innovation, technology, health, manufacturing, construction, local foods, beverages and crafts, finance, hospitality, retail, education and government in order to generate self-sustaining, career-ladder employment and entrepreneurship opportunities for all citizens, most especially minorities, people of color and women.

**#2:** Promote greater family self-sufficiency by ensuring that a broad range of excellent affordable housing, transportation and childcare opportunities are available throughout the city for all households at various stages of life.

**#3:** Create a globally competitive workforce by promoting life-long learning tied to excellent, affordable educational and workforce development programs as well as paid apprenticeships for youth and adults.

**#4:** Use strategic planning and public investment to pursue equitable, and inclusive, redevelopment that: diversifies the city's tax base; produces local jobs; fosters business growth; builds more supported affordable and workforce housing without displacement or isolating poverty; coordinates and "leverages" private investment in the City; and regularly engages the full community in the process.

**#5:** Build upon Charlottesville's unique physical character and commitment to sustainability that make it a healthy, walkable, bike-able, authentic and attractive place to live work, and play by; investing in street improvements and public spaces; promoting planning, development and design excellence that respects and promotes inclusive neighborhoods; safeguarding historic, natural and cultural landscapes and expanding multi-modal transportation options.

**#6:** Develop and monitor performance indicators on cost of living, business growth, local workforce competitiveness, social-economic mobility and poverty reduction, and returns on public investment (i.e. unemployment rates, median incomes, wages, homeownership rates and educational attainment by socio-economic groups; sales and business-related tax receipts; building starts; assessments; median home prices and rental rates; commercial occupancy/vacancy rates; etc.) so as to identify trends on a quarterly or biennial basis in keeping with the City's Strategic Plan.

**#7:** Promote active partnerships, and encourage new partnerships at the local, regional and state level between the City of Charlottesville and other community institutions, organizations and agencies such as: Albemarle County; Central Virginia Partnership for Economic Development, Piedmont Workforce Network, Chamber of Commerce, Diversity Business Council, Charlottesville Investment Collaborative, Charlottesville Business Innovation Council, Thomas Jefferson Planning District Commission, Public Schools, University of Virginia, Piedmont Virginia Community College, Charlottesville Albemarle Technical Education Center, Adult Career and Education Center, Literacy Volunteers of America, Charlottesville Redevelopment and Housing Authority, Piedmont Housing Alliance, Public Housing Association of Residents, other resident associations, private industry and others so as to promote economic mobility within a thriving economy for the benefit of all citizens.

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