

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	December 21, 2020
Action Required:	Appropriation and Approval
Presenter:	Erin Atak, Grants Coordinator
Staff Contacts:	Erin Atak, Grants Coordinator Symia Tabron, Accountant
Title:	Appropriation of CDBG & HOME Budget Allocations for FY 2020-2021 and Minor Amendment for Action Plan 2020-2021

Background:

This agenda item includes a minor action plan amendment, and corrected appropriations for the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds to be received by the City of Charlottesville from the U.S. Department of Housing and Urban Development (HUD).

Discussion:

In Fall 2019, the City of Charlottesville advertised a Request for Proposals (RFP) based on the priorities set by Council on September 16, 2019. The priorities were for affordable housing (priority for persons who are 0-50 percent AMI, including but not limited to low income housing redevelopment), support for the homelessness and those at risk of homelessness, workforce development (including but not limited to efforts to bolster section 3 training opportunities and partnerships with the City's GO programs, support for programs that aid in self-sufficiency, including but not limited to quality childcare), microenterprise assistance, and mental health and substance abuse services.

In February 2020 and March 2020, the CDBG/HOME Task Force reviewed and recommended housing and public service projects for funding and the Strategic Action Team reviewed and recommended economic development projects for funding. Later, on May 4th 2020, City Council reviewed and approved the CDBG and HOME budget for the 2020-2021 HUD Annual Action plan submittal.

On October 22, 2020, the City received a corrected notice from HUD regarding the CDBG and HOME programs. HUD had discovered an error in the formula calculation for the two programs stemming from issues at HUD field offices in California. A correction to the entitlement award has been issued, resulting a decrease in the City's allocation, an amount representing 99.97% of the total CDBG and HOME grants for FY 2020.

Community Engagement:

A request for proposals was held for housing, economic development, public facilities, and public service programs. Applications received were reviewed by the CDBG Task Force or SAT. Priority Neighborhood recommendations will be made by members who serve on the Priority Neighborhood Task Force. On February 18, 2020 and March 5, 2020 the proposed FY 20-21 CDBG and HOME budget came before the CDBG/HOME Taskforce for discussion. The Thomas Jefferson Planning District Commission held a virtual public hearing on May 7, 2020 for the CDBG and HOME budget/action plan and an additional virtual public hearing was held by Charlottesville City Council on May 4, 2020.

The Action Plan was advertised for a thirty-day comment period (March 26th – April 26th 2020) before being sent to HUD for approval. The Action Plan was sent to Charlottesville Neighborhood community members for comment. The Housing Directors Council had an opportunity to make comments on the Action Plan virtually during the thirty-day comment period. Comments received from Housing Directors were incorporated into the Action Plan. HUD approved the Action Plan on August 14, 2020.

In accordance with the CDBG/HOME Citizen Participation Plan, staff reviewed and made changes to the new CDBG and HOME budget. A minor Action Plan Amendment will be submitted for the 2020-2021 fiscal year. The minor Action Plan Amendment was advertised for five days under the covid-19 public notice waiver between November 30th and December 4th, 2020. The full action plan can be viewed on the City Website through the following [link](#).

Alignment with City Council’s Vision and Strategic Plan:

Approval of this agenda item aligns directly with Council’s vision for Charlottesville to have **Economic Sustainability, A Center for Lifelong Learning, Quality Housing Opportunities for All, and A Connected Community**. It contributes to variety of Strategic Plan Goals and Objectives including: Goal 1: Inclusive, Self-sufficient Community; Goal 3: Beautiful Environment; Goal 4: Strong, Diversified Economy; and Goal 5: Responsive Organization.

Budgetary Impact:

Proposed CDBG projects will be carried out using only the funds to be received by the City of Charlottesville from the U.S. Department of Housing and Urban Development (HUD) for the City's CDBG program. The HOME program requires the City to provide a 25% match (HOME match equals ¼ of the EN amount). The sum necessary to meet the FY 2020-2021 match is \$20,143.78, which will need to be appropriated out of the Charlottesville Housing Fund (CP-0084) at a future date.

Recommendation:

Staff recommends approval of the CDBG and HOME corrected budget, as well as approval of the minor 2020-2021 Action Plan Amendment of the 2018-2022 Consolidated Plan.

Alternatives:

No alternatives are proposed.

Attachments:

- HUD Correspondence – Correction Notice
- Appropriation Resolution for CDBG funds
- Appropriation Resolution for HOME funds
- Resolution for Minor 2020-2021 Action Plan Amendment

**APPROPRIATION OF FUNDS FOR
THE CITY OF CHARLOTTESVILLE'S 2020-2021
COMMUNITY DEVELOPMENT BLOCK GRANT - \$419,303**

WHEREAS, the City of Charlottesville has been advised of the approval by the U.S Department of Housing and Urban Development of a Community Development Block Grant (CDBG) for the 2020-2021 fiscal year in the total amount of \$432,691 that includes the new entitlement from HUD, dated February 18, 2020, amounting to \$419,367, and previous entitlement made available through reprogramming of \$13,324;

WHEREAS, City Council has received recommendations for the expenditure of funds from the CDBG/HOME Taskforce, the SAT; and has conducted a public hearing thereon as provided by law;

WHEREAS, the City of Charlottesville has been notified of the formula calculation error of the Community Development Block Grant (CDBG) program stemming from HUD field offices, dated October 22, 2020, with the corrected entitlement of \$419,303;

BE IT RESOLVED by the City Council of Charlottesville, Virginia, that the sums hereinafter set forth are hereby appropriated from funds received from the aforesaid grant to the following individual expenditure accounts in the Community Development Block Grant Funds for the respective purposes set forth; provided, however, that the City Manager is hereby authorized to transfer funds between among such individual accounts as circumstances may require, to the extent permitted by applicable federal grant regulations.

Priority Neighborhood

Ridge Street Priority Neighborhood \$201,884.12

Economic Development

Community Investment Collaborative Scholarships \$14,997.71

Public Service Programs (15% EN)

TJACH- Coordinated Entry Systems \$53,346.44

Housing Projects

AHIP-Homeowner Rehab \$78,538.13

Administration and Planning (20% EN)

Admin & Planning \$83,860.60

New Entitlement Amount \$419,303

Reprogramming \$13,324

Grand Total **\$432,627.00**

Expenditures

<i>Program</i>	<i>Amount</i>	<i>Fund</i>	<i>Internal order/Cost center</i>	<i>G/L Account</i>
Ridge Street Priority Neighborhood	\$201,884.12	218	1900361	530670
Community Investment Collaborative	\$14,997.71	218	1900362	530670
TJACH	\$53,346.44	218	1900363	530670
AHIP Homeowner Rehab	\$78,538.13	218	1900364	530670
Admin & Planning	\$83,860.60	218	3914004000	530670

Revenue

<i>Program</i>	<i>Amount</i>	<i>Fund</i>	<i>WBS Element</i>	<i>G/L Account</i>
Ridge Street Priority Neighborhood	\$201,884.12	218	P-0001 HUD IDIS Drawdown	431110
Community Investment Collaborative	\$14,997.71	218	P-0001 HUD IDIS Drawdown	431110
TJACH	\$53,346.44	218	P-0001 HUD IDIS Drawdown	431110
AHIP Homeowner Rehab	\$78,538.13	218	P-0001 HUD IDIS Drawdown	431110
Admin & Planning	\$83,860.60	218	P-0001 HUD IDIS Drawdown	431110

BE IT FURTHER RESOLVED that the amounts so appropriated as grants to other public agencies and private non-profit, charitable organizations (subrecipients) are for the sole purpose stated. The City Manager is authorized to enter into agreements with those agencies and organizations as he may deem advisable to ensure that the grants are expended for the intended purposes, and in accordance with applicable federal and state laws and regulations; and The City Manager, the Directors of Finance or Neighborhood Development Services, and staff are authorized to establish administrative procedures and provide for mutual assistance in the execution of the programs.

Approved by Council
December 21, 2020

Kyna Thomas, CMC
Clerk of Council

**APPROPRIATION OF FUNDS FOR
THE CITY OF CHARLOTTESVILLE'S 2020-2021
HOME FUNDS \$121,186.97**

WHEREAS, the City of Charlottesville has been advised of the approval by the U.S. Department of Housing and Urban Development of HOME Investment Partnerships (HOME) funding for the 2020-2021 fiscal year;

WHEREAS, it is a requirement of this grant that projects funded with HOME initiatives money be matched with local funding in varying degrees;

WHEREAS, the City of Charlottesville has been notified of the formula calculation error of the HOME Investment Partnerships Program (HOME) stemming from HUD field offices, dated October 22, 2020, with the corrected entitlement of \$80,575.13;

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the local match for the above listed programs will be covered by the a surplus of match from previous appropriations from the Charlottesville Housing Fund (account CP-0084 in SAP system) in the amount of \$20,143.78. Project totals also include previous entitlement made available through program income of \$20,468.06. The total of the HUD money, program income, and the local match, equals \$121,186.97 and will be distributed as shown below.

PROJECTS	HOME EN	PI	MATCH	TOTAL
AHIP-Homeowner Rehab	\$33,498.40	\$13,234.03	\$10,071.89	\$56,804.32
Habitat for Humanity-DPA	\$47,076.73	\$7,234.03	\$10,071.89	\$64,382.65
Total	\$80,575.13	\$20,468.06	\$20,143.78	\$121,186.97

* includes Program Income which does not require local match.

Expenditures

<i>Program</i>	<i>Amount</i>	<i>Fund</i>	<i>Internal Order/Cost Center</i>	<i>G/L Account</i>
AHIP – Homeowner Rehab	\$56,804.32	210	1900365	530670
Habitat for Humanity - DPA	\$64,382.65	210	1900366	530670

Revenue

<i>Program</i>	<i>Amount</i>	<i>Fund</i>	<i>Internal Order</i>	<i>G/L Account</i>
Thomas Jefferson Planning District	\$33,498.40	210	1900365	432170
Thomas Jefferson Planning District	\$47,076.73	210	1900366	432170
City Match	\$20,143.78	210	CP-0084	498010
Program Income	\$26,468.06	210	1900280	451070

BE IT FURTHER RESOLVED the amounts so appropriated as grants to other public agencies and private non-profit, charitable organizations (subrecipients) are for the sole purpose stated. The City Manager is authorized to enter into agreements with those agencies and organizations as he may deem advisable to ensure that the grants are expended for the intended purposes, and in accordance with applicable federal and state laws and regulations; and

The City Manager, the Directors of Finance or Neighborhood Development Services, and staff are authorized to establish administrative procedures and provide for mutual assistance in the execution of the programs.

Approved by Council
December 21, 2020

Kyna Thomas, CMC
Clerk of Council

RESOLUTION
Approval of FY 2020-2021 Minor Annual Action Plan Amendment

BE IT RESOLVED, that the Charlottesville City Council hereby approves the FY 2020 - 2021 Minor Action Plan Amendment of the 2018-2022 Consolidated Plan. The corrected CDBG and HOME budget will be added into the 2020-2021 Annual Action Plan.

Approved by Council
December 21, 2020

Kyna Thomas, CMC
Clerk of Council