

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



Agenda Date:	March 1, 2021
Action Required:	Council Endorsement of the Affordable Housing Plan
Presenter:	Alex Ikefuna, Director, Neighborhood Development Services Phillip Kash, Partner, HR&A Advisors Sarah Kirk, Director, HR&A Advisors Jennifer Koch, Associate Principal, Rhodeside-Harwell
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Title:	Charlottesville Affordable Housing Plan – Endorsement Request

Background:

In October 2019, the City of Charlottesville contracted the services of Rhodeside and Harwell, Incorporated, to undertake the update of the Comprehensive Plan (including a Housing Strategy) and Zoning Ordinance Rewrite. This process – called Cville Plans Together – is being tracked on a project website, <https://cvilleplanstogether.com/>.

There are three related outcomes for this process:

- **An updated Comprehensive Plan**, which will build on the 2017-2018 Planning Commission process to include updated information based on community input.
- **An Affordable Housing Plan**, as part of the Comprehensive Plan, to create a unified strategy for housing Charlottesville’s residents.
- **A zoning ordinance** that reflects the updated community land use vision and addresses other needed updates (state requirements, consistency, etc.).

The Affordable Housing Plan contains immediate, short-term, and longer-term recommendations to advance affordable housing. The Plan is ultimately a living document to be used by City staff, housing policy advisors, and elected leadership to guide affordable housing policies and investments over the coming years. In the near term, in winter and spring 2021, the recommendations in this plan will be incorporated in revisions to the Comprehensive Plan and inform the City’s zoning code rewrite.

The item is on the agenda today in order to seek Council’s endorsement of the Affordable Housing Plan as a checkpoint prior to fully incorporating the strategies within this Plan into the Comprehensive Plan and other City planning efforts.

Discussion:

Process to Develop the Plan

- The development of the Charlottesville Affordable Housing Plan was a year-long effort conducted in four phases: review of existing conditions, existing programs, and previously-completed plans; discussion of community goals and priorities; development of strategies and tools; and the completion of a final plan.
- In the development of strategies and tools, various best practices and comparisons to other jurisdictions were considered. Several references to these items can be found throughout the final Affordable Housing Plan.

Community and Stakeholder Engagement

(Note: more details regarding community engagement are provided in the Community Engagement section of this Memorandum.)

- A **Steering Committee** of local stakeholders representing City-related entities, regional organizations, and community members is providing input throughout the Cville Plans Together planning effort.
- The Cville Plans Together team met periodically with Council, the Planning Commission, the Housing Advisory Committee, and city staff, as well as various community organizations including the Charlottesville Low-Income Housing Coalition, the Charlottesville/Albemarle Affordable Housing Coalition, Habitat for Humanity, and the Legal Aid Justice Center.
- Two **community-wide public engagement** periods provided larger community insight into the planning process. Summaries of activities and input received for both engagement periods are available at <https://cvilleplanstogether.com/document-media-center/>.
 - From **mid-May through June 2020**, Cville Plans Together encouraged the community to actively participate in updating the future vision for the city. The process focused on sharing information about the project, making connections and developing partnerships with community individuals and organizations, and gathering input about priorities for the future. Community input opportunities included a community survey available in Spanish and English, a series of webinars to provide a project overview and answer questions, small group discussions that were held via Zoom and telephone, and a toll-free phoneline.
 - From **November 3 through December 2, 2020**, Cville Plans Together sought community feedback on the draft Affordable Housing Plan as well as draft initial revisions to the Comprehensive Plan. Community input opportunities included four interactive webinars, an online survey in both English and Spanish, drop-in “office hours,” a toll-free phone line, and the opportunity to submit written comments via email and the project website.
- There will be several future public engagement periods related to Cville Plans Together. These will be focused on gathering input related to the larger Comprehensive Plan update and the subsequent zoning rewrite, both of which will include incorporation of relevant Affordable Housing Plan recommendations. There will not be additional community engagement focused on gathering input related to the Affordable Housing Plan document itself.

Alignment with City Council’s Vision and Strategic Plan:

The Affordable Housing Plan supports the City Council Vision to provide “Quality Housing Opportunities for All.” It also contributes to Goal 1 (“An inclusive community of self-sufficient residents”), Objective 1.3, of the Strategic Plan, to increase affordable housing options. The Affordable Housing Plan contains specific Action Steps and Timeframes for implementation. These will be incorporated, as appropriate, into the Comprehensive Plan and other relevant City planning efforts, which can include specific measurable outcomes. For example, in the Comprehensive Plan, the Implementation Chapter is intended to include measurable outcomes for all chapters of the plan.

Community Engagement:

- A **Steering Committee** of local stakeholders representing City, regional organizations, and community members is providing input throughout the Cville Plans Together planning effort. The consulting team held a series of conversations with the Steering Committee to develop the Affordable Housing Plan. The Steering Committee provided feedback in the form of surveys, discussions during meetings, and interviews. This feedback informed the guiding principles, preliminary goals, and recommendations of the Affordable Housing Plan.
- The Cville Plans Together team has also met periodically with Council, the Planning Commission, the Housing Advisory Committee, and city staff, as well as various community organizations including the Charlottesville Low-Income Housing Coalition, the Charlottesville/Albemarle Affordable Housing Coalition, Habitat for Humanity, and the Legal Aid Justice Center.
- Two **community-wide public engagement** periods provided larger community insight into the planning process. These opportunities were shared in a variety of ways, including email notices, press releases, flyering, utility mailings, social media, and more. Summaries of activities and input received for both engagement periods are available at <https://cvilleplanstogether.com/document-media-center/>.
 - From **mid-May through June 2020**, Cville Plans Together encouraged the community to actively participate in updating the future vision for the city. The process focused on sharing information about the project, making connections and developing partnerships with community individuals and organizations, and gathering input about priorities for the future. Community input opportunities included a community survey available in Spanish and English, a series of webinars to provide a project overview and answer questions, small group discussions that were held via Zoom and telephone, and a toll-free phonenumber. The survey asked respondents to identify key issues related to housing affordability in Charlottesville, as well as their ideal outcomes for the Plan. Overall, survey respondents strongly supported centering racial equity and rental affordability in the Affordable Housing Plan. Though Homeownership received less support, it is important to note that renters who responded to the survey strongly supported homeownership as an area of critical concern. The prioritization of housing issues differed drastically by race. These differences are explored further in the Affordable Housing Plan.
 - From **November 3 through December 2, 2020**, Cville Plans Together sought community feedback on the draft Affordable Housing Plan as well as draft initial revisions to the Comprehensive Plan. Community input opportunities included four interactive webinars, an online survey in both English and Spanish, drop-in “office hours,” a toll-free phone line, and the opportunity to submit written comments via email and the project website. There were many types of issues considered by the

community in the review. Comment themes included: general support for the direction of the Affordable Housing Plan, a desire to see more emphasis on homeownership, questions and comments about funding, and concerns about the potential impacts of land use recommendations.

Budgetary Impact:

Summary

A central recommendation of the Affordable Housing Plan is that the City of Charlottesville should provide funding for housing that is transparently and competitively allocated; consistent and predictable; shaped by clear priorities and bold commitments; and regularly monitored and reported.

To this end, the plan recommends that the City dedicate \$10 Million per year to invest in housing affordability over the next ten years. With \$10 Million in average annual spending over ten years, Charlottesville could grow its existing stock of subsidized homes by nearly 70 percent, preserve nearly 40 percent of existing subsidized housing at risk of becoming unaffordable or obsolete, and provide direct assistance annually to up to 2,000 households facing housing instability.

The recommendation suggests the following breakdown for the \$10 Million annual commitment:

- Direct Subsidy: \$7 Million
- Tax Relief: \$2 Million
- Administrative Costs and Capacity Building: \$1 Million

Much of the first five years of direct subsidy has already been allocated through the City's budget processes.

Funding Details

- This proposed figure of \$10M represents total—not additional—spending, and it represents local spending, not including additional funding provided through state or federal sources. While the City Council cannot commit funds on behalf of a future City Council, Charlottesville is being asked to make a policy commitment to affordable housing and develop a funding approach, such that community partners can plan around an approach that future City Councils will reliably adopt. In addition, all programs should continue to seek to leverage as much private financing and additional public funding as possible, relative to Charlottesville's contributions.
- Charlottesville currently funds its housing programs through general fund and capital fund contributions. Charlottesville already uses these and other revenue sources to fund a variety of programs. To sustain a \$10M annual commitment over time, the City will need to evaluate potential new revenue sources as well as its other policy and funding priorities to balance available resources with the City's goals. This evaluation of opportunity and need should consider the near-term fiscal impacts of COVID-19, which has impacted some City revenues and intensified funding needs across a spectrum of priorities.
- The Plan also recommends that the City and regional stakeholders should consider the potential for a regional affordable housing funding agreement to jointly provide funding from Charlottesville, Albemarle County, and potentially other jurisdictions to support

affordable housing development and programming, particularly within the Urban Ring. A regional funding agreement would allow for greater efficiency in housing production, as it would facilitate the streamlining of programs that serve the region, create flexibility to pursue the most cost-effective projects within the region, and reduce administrative overhead.

Allocation Details

- The Plan recommends that the majority of the \$10M should be allocated to direct subsidy. These expenditures include both “capital” subsidies used to build and preserve affordable homes, such as financing for public housing redevelopment and single-family infill development, and “operating” subsidies provided on an ongoing basis, such as emergency rental assistance and property tax relief. This funding includes the City’s current commitments to affordable housing programs including CSRAP and planned new subsidized housing developments. As appropriate, the allocation of these funds should be made through the Charlottesville Affordable Housing Fund (CAHF) with input from the CAHF committee, for which the Plan also provides recommendations related to structural changes.
- The Plan also recommends that as part of the \$10M annual commitment, the City should set aside \$1M in funding each year for administrative costs and capacity building. These funds would pay for the personnel required for a variety of tasks: to run a competitive process to award funds; monitor and evaluate impact; enforce compliance; design and develop new housing policies; provide technical assistance for funding recipients to improve their expertise and effectiveness; and provide training for new board members of the Housing Advisory Committee, especially those who are community representatives and might not work on housing professionally.

Recommendation:

Staff recommends City Council endorsement of the Affordable Housing Plan and the recommendations within.

Alternatives:

Council may decide not to endorse the Affordable Housing Plan or may decide to endorse with changes or additions, both of which may impact the schedule for moving forward to the next steps of completing the Comprehensive Plan update and Zoning Re-write.

Attachments:

The Affordable Housing Plan can be found in this folder:

https://drive.google.com/drive/folders/1_QjRUUtIj0Qcb9JW-S-KLH4BoJ_wLZ-b