

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	March 15, 2021
Action Required:	Resolution: Minor Amendment 2020-2021 Action Plan
Presenter:	Erin Atak, Grants Coordinator
Staff Contacts:	Erin Atak, Grants Coordinator
Title:	HOME 2020-2021 Habitat for Humanity Contingency Plan

Background:

This agenda item includes a resolution for the FY2020-2021 minor action plan amendment HOME Investment Partnerships Program (HOME) funds to be received by the City of Charlottesville from the U.S. Department of Housing and Urban Development (HUD).

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 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. On May 4th, 2020, City Council reviewed and approved the CDBG and HOME budget for the 2020-2021 HUD Annual Action plan submittal.

Discussion:

On May 18, 2020, Habitat for Humanity of Greater Charlottesville (Habitat) was awarded \$47,086.16 HOME FY2020-2021 funds for providing 14 homebuyers earning 25-60% AMI down payment assistance within the City of Charlottesville. On March 2, 2021, Habitat requested to enact the contingency plan to spend their balance of \$47,086.16 of HOME funding on eleven down payment assistance projects in the City of Charlottesville. Habitat states that due to delays from construction and COVID, the original program experienced setbacks affecting program timeliness. The original scope of work proposed funding the following:

- Four down payment assistance to Nassau Street homes,
- Five down payment assistance to Lochlyn Hill homes and,
- Five at Piedmont Avenue.

With this request, Habitat proposes to provide down payment assistance to the same four Nassau

Street homes, and four new homebuyers, and homebuyers of three homes that have been rehabilitated, instead of the Lochlyn and Piedmont homes. The change of scope of work will assist Habitat and the City meet HUD CDBG and HOME timeliness deadlines.

All CDBG and HOME applicants are required to provide reasonable assurances regarding the achievement of objectives in three categories: 1) Effectiveness and efficiency of operations; 2) Reliability of reporting for internal and external use; and 3) Compliance with applicable laws and regulations. All non-federal entities must submit internal controls documents to comply with federal statutes, regulations, and the terms and conditions of the CDBG/HOME federal award. Internal controls are a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. These objectives and risks can be classified by operations, reporting, and compliance. To assist with HOME timeliness requirements, HUD 24 CFR 570.902(a), CDBG and HOME subrecipients may request to enact the contingency plan from the submitted internal controls checklist.

Community Engagement:

In accordance with the CDBG/HOME Citizen Participation Plan, during the request for proposal process City staff discussed home timeliness with Habitat staff.

The original Habitat approval was part of the Action Plan that was advertised for a thirty-day comment period (March 26th – April 26th 2020) before being sent to HUD for approval. The Action Plan was also sent to Charlottesville Neighborhood community members and Housing Directors Council for public comment. Comments received were incorporated into the Action Plan. HUD approved the Action Plan on August 14, 2020.

If council approves the request, then an approval will be submitted to HUD as a minor Action Plan Amendment for the 2020-2021 fiscal year. The full action plan can be viewed on the City Website through the following [link](#). Minor Action Plan Amendments do not require a public hearing.

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:

None

Recommendation:

Staff recommends approval of Habitat's HOME FY2020-2021 change of scope of work to assist with HOME program compliance, HUD 24 CFR 570.902(a).

Alternatives:

City Council can deny the request, which in turn will cause the balance of \$47,086.16 HOME funds to be included into the FY21-22 budget reprogramming.

HUD's "[Keeping your CDBG Funds Moving](#)" suggests reprogramming grant funding (CDBG and HOME funds) to the next fiscal year as part of the new program budget. All old grant funds would

be used first before any new grant funds could be expended. The balance of \$47,086.16 would be placed in a new round of request for proposals for new funding applications. This can also help with program timeliness, HUD 24 CFR 570.902(a).

Attachments:

Habitat request dated March 2, 2021

Resolution for Minor 2020-2021 Action Plan Amendment

Habitat for Humanity of Greater Charlottesville

To: Erin Atak, Grants Coordinator
City of Charlottesville

From: Ruth Stone, Chief Advancement Officer
Greater Charlottesville Habitat for Humanity

Date: March 2, 2021

Re: Modification Request for Habitat 2020/2021 HOME Funding for Down Payment Assistance Project

Greater Charlottesville Habitat for Humanity requests a partial modification of the properties and homebuyers receiving down payment assistance under the City's 2020/2021 HOME Funding Award. The original agreement anticipated providing down payment assistance to the 14 buyers of the following Habitat homes being constructed in the City of Charlottesville:

Nassau Street – 4 homes

Lochlyn Hill – 5 homes

Piedmont Ave. – 5 homes

At this point in time, Habitat anticipates the four Nassau Street will close by the June 30, 2021 deadline. However, although site work is underway on each project and foundations are being installed, the five homes at Lochlyn Hill and the five homes on Piedmont Avenue will not be completed by June 30, 2021. Despite COVID, however, we have been able to maintain progress on a number of other homeownership opportunity builds in the City and therefore are seeking to transfer the allotted down payment assistance to other low-income families purchasing homes at the other City sites.

Lochlyn Hill

Habitat's anticipated purchase of the five lots at Lochlyn Hill III was delayed because the owner/land developer engaged in extended negotiations with the City regarding plat adjustments, and because – presumably due to COVID -- of the length of time it took the City to enter those adjustments in the appropriate City records. As a result, Habitat was not able to formally acquire title until May 11, 2020. By that time, COVID had caused Habitat to temporarily shut down all construction projects. When we reopened, in order to operate safely, we did so with limited staff and no volunteers. As a result, many our timelines were delayed, subbed labor was scarce and we needed to focus our building operations into other builds that were already underway. This allowed us to expedite the completion of homes for families that were sheltering in place in unsafe or unhealth conditions. This COVID-related pivot allowed us to

quickly finish all of the remaining homes in the Harmony Ridge neighborhood while making it impossible to complete construction and close on the Lochlyn homes by the June 30, 2021 deadline in order to provide down payment assistance to those specific five Habitat homebuyers.

Piedmont Ave.

As we pursued site plan approval for the Piedmont Ave. lots, it became clear that the City would require waterline upgrades to benefit other neighborhood properties. We worked closely with City staff to develop a Cost Share Agreement for Waterline Upgrades. Working through the specifics of that agreement as well as the engineering and procurement necessary to carry it out delayed the beginning of the project considerably. The agreement was executed by Habitat and the City of Charlottesville on October 2, 2020 allowing construction to begin. Our contractor has worked expediently to install the infrastructure upgrades and prepare the lots. Although we now are working on foundations, we will not be able to complete construction and close on the homes by the June 30, 2021 deadline in order to provide down payment assistance to those specific five Habitat homebuyers.

Proposed Modification

Despite the approval and COVID-related delays in beginning the projects at Lochlyn Hill and Piedmont Avenue, we were able to move resources to other builds in the City. As a result, Habitat requests the following properties be included in the 2020/2021 HOME Funding Award, and that Lochlyn Hill and Piedmont Avenue homes be removed:

- Nassau Street – 4 homes
- Nassau Street – 1 home (rehab)
- Huntley Avenue – 2 homes
- 12th Street – 2 homes
- Paton Street – 1 home (rehab)
- Camelia Drive – 1 home (rehab)

A Revised Workplan is attached.

Attachment 1: Revised Workplan

Greater Charlottesville Habitat for Humanity HOME Funding 2020-21 Down Payment Assistance Project

Amount and Use of Funds: Greater Charlottesville Habitat for Humanity will use \$47,086.16 in HOME funding to provide down payment assistance for 11 families, earning between 25% and 60% of area median income in the City of Charlottesville. The down payment assistance will be approximately \$4,280.56 per family.

Project Type: Down payment assistance for single-family homeownership dwellings in Charlottesville

Number of Homebuyers Receiving Assistance: 11

Habitat follows federal Fair Housing guidelines and provides affordable homeownership opportunities to all families who meet our income requirements, regardless of race, color, national origin, religion, sex, physical or mental disability, familial status or any other classification protected by applicable federal, state or local law.

Prospective families must show proof of income such as bank statements, pay stubs, and W-2 forms in order to qualify for Habitat's program. Once accepted into the program, Habitat homebuyers participate in an intensive, yet supportive, program that prepares them for homeownership and long-term financial self-sufficiency. Habitat families benefit from financial coaching and homeowner education, maintenance and repair training, financial coaching, and "sweat-equity" hours—where families build their homes and those of their neighbors in partnership with volunteers.

Once families have saved for their down payment and completed all requirements, they purchase high-quality, energy-efficient homes using down payment assistance provided by HOME funds.

Timeline of Tasks to be Completed:

Quarter 1 (July 1-October 15)

Activity:

- 4 Nassau Street homes under construction
- 2 Huntley Avenue homes – site work
- 2 12th Street homes – site work
- 1 Camelia Drive home – rehab begins
- Financial Coaching & Homebuyer Education for 11 families

Beneficiaries Served: 11 families

Funds Expended: \$ 0

Quarter 2 (October 16-January 15)

Activity:

- 4 Nassau Street homes under construction
- 2 Huntley Avenue homes – under construction
- 2 12th Street homes- under construction
- 1 Camelia Drive home – rehab underway
- Financial Coaching & Homebuyer Education for 11 families

Beneficiaries Served: 11 Families

Funding Expended: \$0

Quarter 3 (January 16- March 15)

Activity:

- 4 Nassau Street homes complete
- 1 Nassau Street home rehabilitation underway
- 2 Huntley Avenue homes under construction
- 2 12th Street homes under construction
- 1 Paton Street home rehab underway
- 1 Camelia Drive home rehab underway
- Financial Coaching & Homebuyer Education for 11 families

Beneficiaries Served: 11 Families

Funding Expended: \$0

Quarter 4 (March 16-June 30)

Activity:

- 4 Nassau Street homes completed & closed
- 1 Nassau Street home completed & closed
- 2 Huntley Avenue homes completed & closed
- 2 12th Street homes completed & closed
- 1 Paton Street home complete & closed
- 1 Camelia Drive home complete & closed
- Financial Coaching & Homebuyer Education for 11 families

Beneficiaries Served: 11 Families

Funding Expended: \$ 47,086.16

RESOLUTION
Approval of Habitat for Humanity of Greater Charlottesville Contingency Plan and
Approval of FY 2020-2021 Minor Annual Action Plan Amendment

BE IT RESOLVED, that the Charlottesville City Council hereby approves the Habitat for Humanity of Greater Charlottesville Contingency Plan and the FY 2020 - 2021 Minor Action Plan Amendment of the 2018-2022 Consolidated Plan. This will assist the City and the subrecipient meet CDBG and HOME timeliness goals. All HOME funds are to be expended by the June 30, 2021 program deadline.

Approved by Council
March 15, 2021

Kyna Thomas, CMC
Clerk of Council