

CITY OF CHARLOTTESVILLE, VIRGINIA  
CITY COUNCIL AGENDA



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| Agenda Date:     | April 19, 2021  |
| Action Required: | Resolutions   |
| Presenter:       | Erin Atak, Grants Coordinator   |
| Staff Contacts:  | Erin Atak, Grants Coordinator   |
| <b>Title:</b>    | <b>FY2020-2021 Community Development Block Grant Minor Action Plan Amendment and Budget Amendment</b> |

**Background:**

This agenda item includes project reprogramming recommendations, and minor action plan approval for the Community Development Block Grant (CDBG) funds to be received by the City of Charlottesville from the U.S. Department of Housing and Urban Development (HUD).

On May 4, 2020, the City Council approved award of \$78,538.13 in CDBG funds to Albemarle Housing Improvement Program (AHIP) for Homeowner Rehabilitation activity, with spending effective July 1, 2020. Those funds were required to meet a 65% spend rate by April 1, 2021. As of April 1<sup>st</sup>, AHIP reported and invoiced at a 18.38% spend rate.

On January 14, 2021, the City of Charlottesville was found to be noncompliant, for the second consecutive year, with the CDBG timely expenditure requirements. HUD has noted that the City of Charlottesville's lack of timely performance as a deficiency. All contract extensions for the CDBG and HOME program have been suspended.

The CARES Act modifies some CDBG program rules and authorizes the Secretary of HUD to grant waivers and alternative requirements. Accordingly, FR-6218-N-01 describes how requirements of the CDBG program are modified for CDBG-CV grants, fiscal year 2020 CDBG grants, and fiscal year 2019 CDBG grants under the Department of Housing and Urban Development Appropriations Act.

**Discussion:**

City staff has identified an immediate program for funding to solve the City's timeliness concerns by June 30, 2021. The City has unexpended 2020 CDBG entitlement funds totaling \$64,097.82 from the delayed AHIP Homeowner Rehabilitation activity. These funds can be reprogrammed back into the 2020-2021 CDBG program budget to fund the partially funded COVID related Charlottesville Redevelopment and Housing Authority (CRHA) Rental Relief program.

To meet HUD deadlines, reprogrammed funds must be spent by June 30, 2021. CRHA Rental Relief program was recently signed into contract on March 5, 2021 for \$244,950.82 and have surpassed their spend rate. This is ahead of the projected spending schedule as outlined within Schedule III of the CDBG Subrecipient contract. Staff and HUD have identified CRHA's COVID Rental Relief program as an eligible activity for the City to meet HUD spending requirements. All public service CDBG dollars are required to be spent by June 30, 2021. Funds are proposed to provide immediate COVID-19 rental assistance to public housing residents to provide rental payments for a three-month period.

**Community Engagement:**

The AHIP approval was part of the Action Plan that was advertised for a thirty-day comment period (March 26<sup>th</sup> – April 26<sup>th</sup> 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.

The CRHA approval was part of the Substantial Action plan amendment that was advertised for a HUD authorized expedited 5-day public comment period between February 1, 2021 through February 5, 2021; and a virtual public hearing was held at City Council on February 16, 2021. HUD authorized an expedited 5-day public comment period on April 2, 2020 for COVID-19 specific activities to prevent, prepare for, and response to the coronavirus with the goal to quickly appropriate funds to eligible activities.

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 the resolution to amend the CDBG budget to decrease the appropriation to AHIP and to increase the appropriation to CRHA.

**Alternatives:**

No alternatives are proposed.

**Attachments:**

Resolution to Amend CDBG Reprogramming

Resolution for FY 2020-2021 Minor Action Plan Amendment

**RESOLUTION**  
**AMENDMENT TO COMMUNITY DEVELOPMENT BLOCK GRANT ACCOUNT**  
**Reprogramming of Funds for FY 2020-2021**

**WHEREAS**, Council has previously approved the appropriation of certain sums of federal grant receipts to specific accounts in the Community Development Block Grant (CDBG) funds; and

**WHEREAS**, pursuant to section 3 of CDBG Sub-recipient Agreements these funds have not met HUD spending deadlines and need to be reprogrammed, and therefore,

**BE IT RESOLVED** by the Council of the City of Charlottesville, Virginia that appropriations made to the following expenditure accounts in the CDBG fund are hereby reduced or increased by the respective amounts shown, and the balance accumulated in the Fund as a result of these adjustments is hereby reappropriated to the respective accounts shown as follows:

| <b>Fund</b> | <b>Account Code</b> | <b>Purpose</b>                        | <b>Proposed Revised Reduction</b> | <b>Proposed Revised Addition</b> | <b>Proposed Revised Appropriation</b> |
|-------------|---------------------|---------------------------------------|-----------------------------------|----------------------------------|---------------------------------------|
| 218         | 1900364             | Albemarle Housing Improvement Program | \$64,097.82                       |                                  |                                       |
|             |                     |                                       |                                   |                                  |                                       |
| 218         | 1900399             | CRHA Rental Relief                    |                                   | \$64,097.82                      | \$64,097.82                           |
|             |                     | <b>TOTALS:</b>                        | <b>\$64,097.82</b>                | <b>\$64,097.82</b>               | <b>\$64,097.82</b>                    |

Approved by Council  
April 19, 2021

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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 reprogrammed CDBG and budget will be added into the 2020-2021 Annual Action Plan.

Approved by Council  
April 19, 2021

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Kyna Thomas, CMC  
Clerk of Council