

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	May 3, 2021
Action Required:	Resolution
Presenter:	Erin Atak, Grants Coordinator
Staff Contacts:	Erin Atak, Grants Coordinator
Title:	Budget Amendment for FY2021-2022 CDBG & HOME Allocations

Background:

Each year, the City advertises a Request for proposals (RFP) based on the previous year's entitlement award for federal CDBG and HOME allocations issued by the U.S. Department of Housing and Urban Development (HUD). In Fall 2020 the City of Charlottesville advertised a request for proposals (RFP) for an estimated \$419,367 Community Development Block Grant (CDBG) dollars and estimated \$80,594 HOME Investment partnerships Program (HOME) dollars based on priorities set by City Council on September 21, 2020. The City received three applications totaling \$161,594 for HOME housing projects; one application totaling \$57,000 for CDBG housing projects, three applications totaling \$59,000 for public service projects; and two applications totaling \$44,238 for economic development projects.

All applications were reviewed by the CDBG/HOME Taskforce and the Strategic Action Team in November 2020. A recommended budget was brought forward to Planning Commission for approval in December 2020. Following Planning Commission, the CDBG and HOME budget items were approved by City Council on January 19, 2021.

On February 25, 2021, the U.S. Department of Housing and Urban Development (HUD) issued the City of Charlottesville an official CDBG and HOME entitlement award under Public Law 116-260. The City's CDBG award is \$427,176 and the HOME award is \$84,576.88. This agenda item includes a minor budgetary change for the CDBG and HOME funds to be received by the City of Charlottesville from HUD.

Discussion:

During fall 2020 RFP application period, the entitlement amount was not confirmed by HUD and it was recommended to City Council that all CDBG and HOME project recommendations get increased/reduced at the same pro-rated percentage of the actual entitlement award. If the total actual award amount received by HUD differed from the appropriated amount, all appropriated amounts may be administratively increased/decreased at the same pro-rated percentage of change between the estimated entitlement award and the actual entitlement award. The total appropriated amount will not exceed 2.5% total change, nor will any agency or program increase more than

their initial funding request without further action from City Council.

HUD awarded the City of Charlottesville an entitlement amount of \$427,176 CDBG dollars, and \$84,576.88 HOME funds on February 25, 2021. A minor correction is needed for the FY2021-2022 CDBG and HOME budget requiring City Council approval.

It is important to note that no additional funds will be awarded to subrecipients who have received full funding request for both CDBG and HOME. Likewise, note that no additional funding will be awarded to subrecipients with open account balances in the FY2020-2021 CDBG and HOME program due to the City's second timeliness sanction issued January 2021.

The difference in funding between the estimated entitlement award and the actual entitlement award is \$7,808.70 CDBG dollars, and \$3,982.88 HOME dollars, totaling \$11,791.58. Staff recommends the following programs receive minor budgetary allocations. The Ridge Street Priority neighborhood funding will receive an additional \$6,247.20 CDBG dollars for sidewalk improvement projects, \$1,561.50 CDBG dollars will be allocated to the Administrative and Planning budget to satisfy the 20% funding requirement to pay for citizen participation, staffing, and grant administrative costs. \$3,982.88 HOME dollars will be allocated to the LEAP assisted home performance program to provide energy efficient upgrades for low-to-moderate income homeowners.

On January 14, 2021, the City of Charlottesville was found to be noncompliant for the second consecutive year with the CDBG and HOME timely expenditure requirements. HUD has noted that the City's lack of timely performance as a deficiency. Current program subrecipients for fiscal year 2020-2021 are urged to complete all CDBG and HOME spending prior to re-applying/receiving additional funding as a written HUD best practice, [*Ensuring CDBG Timeliness*](#).

Community Engagement:

A request for proposals was held for housing, economic development, public facilities, and public service programs between October 1, 2020 and October 16, 2020. Applications received were reviewed by the CDBG Task Force or Strategic Action Team. Priority Neighborhood recommendations will be made by members who serve on the Priority Neighborhood Task Force.

Planning Commission reviewed the recommended budget on December 8, 2020, and City Council reviewed the Taskforce recommendations on January 19, 2021 for final approval.

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 $\frac{1}{4}$ of the EN amount). The sum necessary to meet the FY 2020-2021 match is \$21,144.22, which will be appropriated out of the Charlottesville Affordable Housing Fund (CP-0084).

Recommendation:

Staff recommends approval of the CDBG and HOME projects. Funds included in this budget will not be spent until after July 1, 2021.

Alternatives:

No alternatives are proposed.

Attachments:

Resolution for CDBG funds

Resolution for HOME funds

2021-2022 Revised CDBG and HOME Budget Overview

RESOLUTION
AMENDMENT TO COMMUNITY DEVELOPMENT BLOCK GRANT ACCOUNT
Reprogramming of Funds for FY 2021-2022

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 on January 19, 2021; and

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 appropriated to the respective accounts shown as follows:

Fund	Account Code	Purpose	Proposed Revised Reduction	Proposed Revised Addition	Proposed Revised Appropriation
218		Ridge Street Priority Neighborhood		\$6,247.20	\$156,247.20
218		Administrative and Planning (20% EN)		\$1,561.50	\$85,435.20
		TOTALS:			

Approved by Council
 May 3, 2021

 Kyna Thomas, CMC
 Clerk of Council

RESOLUTION
AMENDMENT TO HOME INVESTMENT PARTNERSHIPS PROGRAM ACCOUNTS
FY 2021-2022

WHEREAS, Council has previously approved the appropriation of certain sums of federal grant receipts to specific accounts in the HOME Investment Partnerships Program (HOME) funds on January 19, 2021; and

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that appropriations made to the following expenditure accounts in the HOME 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 appropriated to the respective accounts shown as follows:

Fund	Account Code	Purpose	Proposed Revised Reduction	Proposed Revised Addition	Proposed Revised Appropriation
210		HOME Match		\$995.72	\$21,144.22
210		LEAP Assisted Home Performance		\$3,982.88	\$23,224.88
		TOTALS:			

Approved by Council
 May 3, 2021

 Kyna Thomas, CMC
 Clerk of Council

2021-2022 CDBG and HOME BUDGET ALLOCATIONS
RECOMMENDED BY CDBG/HOME TASK FORCE and SAT: 11/12/2020
RECOMMENDED BY PLANNING COMMISSION: 12/8/2020
APPROVED BY CITY COUNCIL: 1/19/2021
REVISED BUDGET:

A. PRIORITY NEIGHBORHOOD	
A. Ridge Street Priority Neighborhood	\$156,247.20*
B. ECONOMIC DEVELOPMENT PROJECTS	
A. Community Investment Collaborative – Financial Management Program	\$32,056.28
B. Local Energy Alliance Program – Workforce Development	\$29,238.00
ECONOMIC DEVELOPMENT TOTAL:	\$61,294.28
C. PUBLIC SERVICE PROJECTS	
A. Public Housing Association of Residents – Resident Involved Redevelopment	\$34,000.00
B. Literacy Volunteers – Workforce Development Tutoring	\$25,000.00
SOCIAL PROGRAMS TOTAL:	\$59,000.00 (15% EN)
D. HOUSING PROJECTS	
A. Local Energy Alliance Program – Assisted Home Performance	\$65,199.32
HOUSING PROGRAMS TOTAL:	\$65,199.32
E. ADMINISTRATION AND PLANNING:	
A. Admin and Planning	\$85,435.20 (20% EN)
	GRAND TOTAL: \$427,176
	ESTIMATED NEW ENTITLEMENT AMOUNT: \$427,176

* Funding includes reprogrammed funds

2021-2022 HOME BUDGET ALLOCATIONS

A. AHIP – Homeowner Rehab	\$37,352.00*
B. Habitat for Humanity – Down Payment Assistance	\$24,000.00*
C. LEAP – Assisted Home Performance	\$23,224.88*
	TOTAL: \$84,576.88
	ENTITLEMENT AMOUNT: \$84,576.88
	ESTIMATED EN AVAILABLE AFTER PI APPLIED: \$0.00
	LOCAL MATCH: \$21,144.22

* Includes estimated EN available after program income applied