

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	December 20, 2021
Action Required:	Update
Presenter:	Alex Ikefuna, Interim Director, Office of Community Solutions
Staff Contacts:	Sam Sanders, Deputy City Manager, Operations, Alex Ikefuna, Interim Director Brenda Kelley, Redevelopment Manager
Title:	Charlottesville Affordable Housing Fund (CAHF) Program Review/Redesign Update

Background:

On July 19, 2021, the City Council approved funding to Charlottesville Affordable Housing FUND (CAHF) Program Performance Review and Redesign, and Inclusionary Zoning Design. The CAHF program review would include evaluation of the past performance of the housing programs, past program agreements, selection and contracting processes, development of new approaches as needed, grant terms, program criteria, and evaluation metrics the City can use in the future.

Discussion:

The Scope of Work includes two tasks. Task 1: Program review; and Task 2) Program Redesign – Equitable and Affordable Development Standards.

Methodology and Interview Process

HR&A has completed substantial review of task 1 and the discussion today is to provide the City Council interim updates, and next steps. During Task 1, HR&A examined past performance of the City's affordable housing programs. This work included collecting and reviewing available records from the City and funding recipients which focused on affordable housing units created and households served. HR&A is in the process of creating an up-to-date inventory of City-funding awards since 2010, drafting findings and preparing recommendations. To accomplish this, HR & A has reviewed past funding agreements and performance for City-funded projects and programs over a 10-year period (2010-2021) and interviewed agencies that received City funds for operations, programming, and development of affordable housing units. The primary purpose is to compare the level of impact projected during the application period with the impact achieved by the program or project.

Following the initial data review, HR&A contacted project sponsors, proposers, and recipients of CAHF funding to schedule interviews to discuss individual records of CAHF funding allocations from the City since 2010 and to solicit additional information for each CAHF funding allocation.

The following agencies were interviewed:

- Albemarle Housing Improvement Program, Inc. (AHIP)
- Charlottesville Abundant Life Ministries (CALM)
- Charlottesville Redevelopment and Housing Authority (CRHA)
- Habitat for Humanity of Greater Charlottesville
- Jefferson Area Board for Aging (JABA)
- Local Energy Alliance Program (LEAP)
- Piedmont Community Land Trust (PCLT), formerly Thomas Jefferson Community Land Trust (TJCLT)
- Piedmont Housing Association (PHA)
- Thomas Jefferson Area Coalition for the Homeless (TJACH)

Highlights of the Review

1. Since 2010, the City of Charlottesville has administered a total of **\$46.7 million** in funding to support a variety of affordable housing initiatives across the City, drawing from the City's General Fund, Capital Budget (CIP) and Housing Trust Fund (CAHF), and federal HOME and CDBG funds. This breaks down as follows: Housing Trust Fund and Capital Budget (\$38,623,967), General fund (\$5,185,260, and CDBG/HOME (\$2,920,628).
2. Funding levels have averaged \$3.6 million per year, with a large outlier in 2021 which totaled \$10.4 million.
3. The funding is spread across a variety of uses. The largest share of funding (47%) went towards **development** (new construction of multifamily and single-family homes, and significant rehabilitation of multifamily buildings). **Program** (owner-occupied single-family rehabilitation and energy retrofits, homelessness services, rental subsidy, and homeownership subsidies) grants made up the next highest share, 4(0 %) of funding. **Operating** subsidies for nonprofits made up (11%) of expenditures. The remaining 2% were used for internal City administration, such as housing-related staff and consulting fees.
4. The spending yielded a total of about 2,300 households served, and 1,600 units created or preserved.

Alignment with City Council's Vision and Strategic Plan:

Since this request is associated with the implementation of the Comprehensive Plan and Affordable Housing Plan, it supports all aspects of City Council Vision in one way or another. It contributes to the following 2018-2020 Strategic Plan Goals: Goal 1.3 to increase affordable housing options, 1.5 to intentionally address issues of race and equity, Goal 2: a healthy and safe city, Goal 3: a beautiful and sustainable natural and build environment, Goal 5: a strong, creative and diversify economy, and Goal 5.4 to foster effective community engagement.

Community Engagement:

There have been several community engagement meetings and activities conducted as part of the comprehensive plan update and affordable housing planning process.

Budgetary Impact:

This is an update of already funded project.

Recommendation:

Next Steps

- Summarize the Task 1 findings and host a discussion with the project team to discuss the findings and potential implications for the redesign of City processes.
- Produce a final memorandum summarizing the past performance of the City's affordable housing procurement, selection, and contracting processes, and making preliminary recommendations for ways to improve these processes.
- Clearly define City's affordable housing policy goals at each step of the solicitation and procurement process.
- Initiate and complete Task 2. The following represents components of Task 2:

Task 2. Program Redesign: Equitable and Affordable Development Standards (6-8 weeks)

Task 2.1 Throughout Task 2, HR&A will hold weekly meetings with program staff to coordinate our work and discuss any questions that may arise.

Task 2.2 Based on the findings of Task 1, and the guiding principles and recommendations in the Charlottesville Affordable Housing Plan, HR&A will work with City staff to develop detailed recommendations for the redesign of the City's RFP and NOFA processes, with a focus on aligning the City's funding with the priorities established in the housing plan.

Task 2.3 HR&A will work closely with City staff to develop a set of recommended changes to the City's selection and contracting processes that align with revised RFP and NOFA processes and the goals of the Charlottesville Affordable Housing Plan, with a focus on structuring grant and loan agreements to ensure that City funding has the intended impacts.

Task 2.4 HR&A will develop a set of recommendations for the ongoing monitoring and reporting of city-funded affordable housing programs, including criteria and benchmarks for program evaluation and provider selection to guide future policy and decision-making. These criteria will likely quantify performance measures such as:

- Program impact and cost, to track the efficient use of City funds toward providing affordable housing, supporting homeownership, and serving the income levels most in need of assistance. (*e.g. number of homes, cost per unit, local subsidy per unit, total subsidy per unit, tenure type, length of affordability, affordability level*)
- Beneficiary data, to understand the populations served by the City's affordable housing programs and to ensure racially equitable access to and distribution of affordable housing. (*e.g. race, location, income, household size*)
- Alignment with the guiding principles and recommendations of the affordable housing plan, such as inclusive governance and regional collaboration. (*e.g.*

involvement of regional partners, inclusion of diverse community representation in decision-making by funding recipient)

Task 2.5 HR&A will hold a meeting with City staff to review the recommendations of Tasks 2.2 through 2.4 and discuss any revisions or changes needed. Following this meeting, we will develop a final set of recommended changes to the City's NOFA, RFP, contracting, and monitoring processes. We will hold one meeting to present the findings of Tasks 1 and 2.

Alternatives:

Not applicable!

Attachments:

None