

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



Agenda Date:	September 19, 2022
Action Required:	Public Hearing and Approval
Presenter:	Erin Atak, Grants Coordinator
Staff Contacts:	Erin Atak, Grants Coordinator Alexander Ikefuna, Interim Director
Title:	<b>Review of Program Performance and Setting Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds for Program Year 2023-2024</b>

**Background**

The City of Charlottesville is an “Entitlement Community” and receives annual allocations from the U.S. Department of Housing and Urban Development (HUD). Federal regulations require that communities receiving CDBG/HOME and other related funds prepare a multi-year Consolidated Housing and Community Development Plan. The regulations also require that each Entitlement Community prepare and submit to HUD, Consolidated Annual Performance and Evaluation Report (CAPER) to show their progress in implementing the goals and objectives in their Consolidated Plan.

This public hearing is intended to serve as a forum for public comment on the Program Year (PY) 2021 (July 1, 2021 through June 30, 2022) Consolidated Annual Performance and Evaluation Report (CAPER), and to aid the City Council and staff in gathering information about the City's needs. Goals and priorities determined because of this public hearing will be the framework for funding recommendations made by the CDBG Task Force for funding available after July 2023. Based on current projections, the City can expect CDBG funding amounts similar to funds received in FY 2022 or about \$414,907. The City can expect HOME funding to be similar or less than that received in FY 2022, which is about \$93,478.13 per locality, or \$747,825 total for the HOME consortium.

**Discussion**

**FY 2021-2022 PROGRAM PERFORMANCE HIGHLIGHTS**

In FY 2021, CDBG projects benefited 4,485 people (see Table 1). Regular entitlement projects included technical assistance for microenterprises and entrepreneurs, resident involved redevelopment, literacy involved workforce development tutoring, and homeowner energy maintenance rehabilitation. Emergency COVID-19 projects included short-term rental relief programs, community health outreach, technical assistance for microenterprises, coordinated entry services for the homeless, and emergency financial services for low-to-moderate income Charlottesville residents. For CDBG-CV activities, economic development projects and public service

activities will have success and growth far after FY 2021 as this is a 6-year grant.

**Table 1:**

<b>CDBG Activities – Program Year 2021</b>		<b>Goal</b>	<b>Actual</b>
Support Job Improvement through Microenterprise Assistance	Business Assisted	22	43
Conduct Public Services Employment Training	Persons Assisted	48	57
Enhance & Improve Access to Neighborhood Amenities	Persons Assisted	2240	4370
Housing Rehabilitation	Housing Units	10	15
<b>Total</b>			
<b>HOME Activities - Program Year 2021</b>		<b>Goal</b>	<b>Actual</b>
Homeowner Rental Rehabilitation	Persons Assisted	10	15

For the Program Year 2021 (July 1, 2021 through June 30, 2022), the City completed the above projects using CDBG, CDBG-CV, CDBG-CV3, and HOME funds. 63.89% of CDBG beneficiaries and 74.19% of HOME beneficiaries were minorities.

HOME figures are based on head of household only. Table 2 below outlines the activities, goals, and outcomes for the Program Year 21 HOME program.

**Table 2: HOME Consortium Activity Geographic Distribution and Location of Investments**

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Albemarle County	7%	21%	10 Homeowner rehabilitation projects completed, and 6 underway.
City of Charlottesville	44%	60%	CDBG dollars, plus 7 HOME homeowner rehabs completed and 8 down payment assistance activities

			completed, and 4 DPA and 1 homeowner rehab completed.
Fluvanna County	12%	1%	2 rehabs completed and 3 rehabs underway.
Grenne County	7%	0%	No new projects in the program year, but the county has been working on its two PY18 CHDO FTHB projects.
Louisa County	12%	15%	1 rental unit completes and 1 rehab completed with 1 rehab project underway.
Nelson County	19%	3%	3 rehabs completed, and 1 rehab underway.

Please note, due to the global health pandemic, there were setbacks across the region through the CDBG and HOME programs.

#### **SETTING PRIORITIES FOR FY 23-24**

Current Year's Plan: The priorities set by Council for FY 2023, as determined at the September 20, 2021 public hearing, were access to affordable housing (including but not limited to low income housing redevelopment), workforce development (including but not limited to low income housing redevelopment), workforce development (including but not limited to efforts to bolster Section 3 training opportunities and partnerships with the City's GO programs) microenterprise assistance, access to quality childcare, homeowner rehabilitation, and down payment assistance. For FY 2022, 20% of the CDBG entitlement was allocated to Administration and Planning, which pays for the Grants Coordinator position and other grant support fees (i.e., Environmental Review Records, citizen participation, Davis Bacon, Section 3 requirements, etc.), and 15% of the balance was devoted to public service activities. The remaining funds were set-aside for economic development and housing projects and for the Ridge Street Priority Neighborhood. The current fiscal year's adopted budget is attached to show how funding has been allocated to the different funding categories.

Following the public hearing, staff is asking Council to provide the following direction:

1. **Set priorities for CDBG & HOME Programs** – Council is asked to determine what the priorities are for FY 2022-2023 CDBG and HOME Programs. Having specific priorities helps the CDBG Task Force ensure that the diminishing funds are targeted towards projects that meet the goals of Council, the Consolidated Plan and the Growing Opportunities Report. The high priority needs identified in the Consolidated Plan include: risk of homelessness, lack of jobs that pay a sufficient wage, rental cost-burden, lack of training needed by employers, high cost home purchase, transportation access

barriers, housing options for special needs, lack of childcare options, and lack of shelter for homeless. An emphasis on workforce development, access to quality childcare, microenterprise assistance, homeowner rehab and down payment assistance helps to meet these goals and needs and are consistent with Council goals, the Consolidated Plan, and the Growing Opportunities Report.

2. **Administration and Planning** – This amount is capped by HUD at 20% of the total CDBG budget. The current budget for admin and planning is \$82,981.40. Once the City accepts the CDBG and HOME funding, the staffing, grant program reporting, and community engagement requirements are supported with admin and planning dollars as mandated by HUD.

3. **Additional Guidelines** - Any other guidelines or directions the Council may wish to give in determining how CDBG and HOME funds should be spent.

### **Alignment with City Council's Vision and Strategic Plan**

This agenda item aligns directly with Council’s vision for Charlottesville to have Economic Sustainability, Quality Housing Opportunities for All, and A Connected Community. Projects also have the potential to many of the objectives and goals listed in the City’s Strategic Plan: An Inclusive Community of Self-sufficient Residents, A Beautiful and Sustainable Natural and Built Environment, A Strong, Creative and Diversified Economy, and a Healthy and Safe Community. This addresses several of the provisions in the Affordable Housing Plan and the 2021 Comprehensive Plan.

### **Community Engagement**

The CDBG Task Force will meet over the winter to review HOME projects proposals and make recommendations for funding to Council in Spring of 2023. Notice of the public hearing for the initial recommendations and notice of a public comment period for the CAPER was advertised in the newspaper on August 19, 2022 and on the City's website through the following [link](#). The public comment period for the CAPER is open from August 19 to September 19, 2022. The Thomas Jefferson Planning District Commission held a virtual public hearing on September 1, 2022. City Council held a virtual public hearing on September 19, 2022.

CAPER Available here: <https://www.charlottesville.gov/DocumentCenter/View/8343/FY-2021-Draft-CAPER>

### **Budgetary Impact**

HOME funds will require a 25% local match. In previous years, this match came from the Charlottesville Affordable Housing Fund CP-0084. There is no impact to the general fund regarding CDBG funds.

### **Recommendation**

***Recommended Motion 1: "I move the RESOLUTION approving the Consolidated Annual Performance Evaluation Report for 2021"***

***Recommended Motion 2: "I move the RESOLUTION establishing Council's Priorities for Expenditure of CDBG and HOME funds during Fiscal Year 2023-2024"***

Staff Recommends:

- Council move forward with priorities similar to the priorities outlined last year.
- Council approve the 20% maximum allocation allowed for Admin and Planning.
- Public Service funds remain citywide, Non-profit partners are made aware of the CDBG Priority Neighborhoods and encouraged to recruit beneficiaries from that area.
- For HOME funds, if there is any program income or reprogramming available, those funds go towards housing activities to support down payment assistance and homeowner rehab.

### **Alternatives**

Alternatives include funding the Economic Development, Public Service, and Housing programs at different percentages or restricting beneficiaries to specific areas of the City.

### **Attachments**

1. Resolution CAPER
2. Resolution Council Priorities
3. Proposed Budget FY2023
4. Current CDBG and HOME Budget 2022