

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	September 19, 2022
Action Required:	Approve Resolution
Presenter:	Samuel Sanders, Jr., Deputy City Manager
Staff Contacts:	Alexander Ikefuna, Interim Director Samuel Sanders, Jr., Deputy City Manager John Sales
Title:	Appropriating Charlottesville Supplemental Rental Assistance Program (CSRAP) funding for the acquisition of 818 Montrose Avenue - \$355,000 (1 of 2 readings)

Background

CRHA has an opportunity to acquire multiple units of naturally occurring affordable housing that were on the market and will likely no longer be affordable after purchase. CRHA is requesting that \$355,000 from its CSRAP accumulated balance be re-appropriated to be used for acquisition of property located at 818 Montrose Avenue. Currently, the two units will be converted to three affordable units for rent. One of the units is currently rented at \$1200 a month and the other is vacant. All three will be retained as affordable dwellings upon completion of some basic property improvements.

Discussion

Council provides \$900,000 per year for CSRAP. There was a surplus in FY22 that leaves the current balance at \$2.09 million. CRHA projects the current monthly rental subsidy requires \$50,000 per month. That figure annualized is \$550,000 through June 2023. Based on this projection, the CSRAP account is sufficient to cover the \$355,000 Montrose Avenue acquisition, \$550,000 FY23 rental assistance subsidies, with a remaining balance of \$429,875.

Alignment with City Council's Vision and Strategic Plan

Affordable Housing Plan Guiding principles: Racial equity, regional collaboration and comprehensive approach

Comprehensive Plan Guiding Principles

- Equity & Opportunity - All people will be able to thrive in Charlottesville.
- Community Culture and Unity - Charlottesville's rich and diverse culture and form will be celebrated, and the entire community will feel welcomed, valued and respected.

Strategic Plan (2018-2020) Goals: Goal 1.3 to increase affordable housing options, Goal 1.5 to intentionally address issues of race and equity; 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. City staff has also been engaged with CRHA on a regular basis regarding redevelopment activities, including exploring proactive ways to spur affordable housing one of which is this proposal to acquire 818 Montrose Avenue for sustainable and permanent affordable housing.

Budgetary Impact

The requested \$355,000 has been approved within City Council's FY23 Budget for use by CRHA in the CSRAP Program. The attached Resolution would allow the FY23 budgeted CSRAP funding to be reduced by \$355,000 and allow that same amount of money to be transferred to CRHA for use in the acquisition of property located at 818 Montrose Avenue.

Recommendation

The City manager and staff recommend that the City Council approve the proposed request to use part of CSRAP fund for the acquisition of 818 Montrose Avenue by CRHA, to be deed-restricted permanently, as units of affordable housing.

Recommended motion: *"I move the RESOLUTION appropriating \$355,000 of the FY2023 CSRAP budget allocation to be used by CRHA for the acquisition of 818 Montrose Avenue as permanent units of affordable housing."*

Alternatives

Council may elect not to approve the recommendations, which would forego the opportunity to ensure that these affordable units could be permanently dedicated as unit of affordable housing.

Attachments

1. Resolution Reallocating CSRAP Funds

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