

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



Agenda Date:	February 5, 2024
Action Required:	Presentation and discussion.
Presenter:	Antoine Williams, Housing Program Manager
Staff Contacts:	Antoine Williams, Housing Program Manager Alexander Ikefuna, Director of Community Solutions
Title:	Housing Equity and Anti-Displacement Toolkit (HEAT) Project FY2024 - 2025 Strategic Outcome: Housing Work Plan

Background

In March 2021, the City of Charlottesville endorsed its Affordable Housing Plan, which aims to maintain its affordable housing efforts. One of the significant tools proposed in this plan is the adoption of progressive and inclusive zoning reforms.

To complete this goal, in December 2023, the City Council took significant steps by repealing and re-ordinating Chapter 34 and Chapter 29 in the Charlottesville City Code. Section 4.2.2.2 establishes the city's new Affordable Dwelling Unit (ADU) or "Inclusionary Zoning" Ordinance/Program as part of this action.

Before this significant milestone, during a Council work session in October, the Office of Community Solutions (OCS) staff presented housing strategies in context with the implications of zoning reforms, anti-displacement measures, and socially vulnerable communities. The strategy focused on how the city can effectively incorporate measures to prevent displacement in core neighborhoods and mentioned approximately 25 measures at the time.

During a work session, the OCS staff defined the term 'anti-displacement' as strategies and policies to prevent the involuntary displacement of long-standing, often lower-income residents from their neighborhoods due to gentrification or other development pressures. They further explained that an anti-displacement measure aims to create inclusive, stable communities where residents can afford to live and thrive.

Councilperson Payne asked a follow-up question regarding the information presented by the staff. Specifically, staff was asked "if the new zoning regulations would impact the measures discussed earlier." In simpler terms, Councilperson Payne wanted to know if the zoning regulations could make it easier or harder to implement the strategies discussed.

The staff has put together a set of strategic target measures and programs of service to work towards maximizing benefits and promoting equitable outcomes in the core neighborhoods of Charlottesville.

These actions are crucial in implementing the City's Affordable Housing Plan.

The city's Department of Neighborhood Development Services procured the professional services of RKG Associates Inc. to complete a comprehensive analysis (see attachment). The analysis deeply considered the potential for displacement through various scenarios, focusing on how these zoning changes might affect the rate at which single-family parcels are converted into multi-unit dwellings. The report provided insights and suggestions for understanding anti-displacement because it highlights areas and conditions under which residents might be pushed out due to redevelopment pressures.

Discussion

A. Project Overview

1. Introduction

The HEAT Project represents a proactive and action-oriented comprehensive initiative designed to leverage Housing Equity & Anti-Displacement Tools for the betterment and protection of our core communities, particularly those facing high social vulnerability, barriers to affordable housing development, and displacement risks.

The HEAT Project commences with adopting the city's new ADU ordinance in February. It encompasses a collaborative approach to maximize the following seven key measures, ensuring equitable outcomes and benefits in line with the city's affordable housing plan and inclusive zoning reforms.

2. Key Project Goals

- a. Short-Term Goals: By April 30, 2024
 - i. Finalize and distribute educational materials.
 - ii. Establish a robust monitoring and evaluation framework.
 - iii. Initiate community engagement in targeted HEAT areas.
- b. Mid-Term Goals: By July 31, 2024
 - i. Complete the first phase of new/revamp program implementations (e.g., Tax Abatement/Performance Agreement for Affordable Housing).
 - ii. Conduct a midterm evaluation of program impacts.
 - iii. Implement new anti-displacement measures (e.g., Land Bank Program with expected completion in Summer 2024).
- c. Long-Term Goals: 5-year outlook (2021 – 2025)
 - i. Achieve the target of 1,100 subsidized homes, preserve 600 homes, and stabilize 1,800-2,200 households.
 - ii. Achieve full integration and effectiveness of all seven housing equity and anti-displacement measures.
 - iii. Conduct a comprehensive review and adjustment of the HEAT project based on outcomes and community feedback.

B. Target Program Areas for Housing Equity and Anti-Displacement Efforts

The Housing Equity and Anti-Displacement Toolkit (HEAT) project/ work actions for FY2024-2025 will start up specific core neighborhoods to address pressing housing challenges in our community.

These areas were thoughtfully chosen based on extensive community engagement and comprehensive data analysis. Each target area reflects a concentrated need for affordable housing solutions due to high-cost burdens on renters and homeowners, often exceeding 40% of the city's median income.

Additionally, these neighborhoods exhibit medium to high levels of social vulnerability. Focus on these target areas ensures that HEAT's associated service programs are directed where needed most, ultimately contributing to a more equitable housing landscape for socially vulnerable residents.

HEAT Program Area 1:

- Census Tracts: 2.01, 2.02, 7, and 10
- Neighborhoods: Rose Hill and 10th/Page

HEAT Program Area 2:

- Census Tract: 8
- Neighborhood: The Meadows

HEAT Program Area 3:

- Census Tracts: 10, 5.01, and parts of 4.01
- Neighborhoods: Fifeville, Ridge St., and Starr Hill

C. Implementation Plans and Considerations

1. Land Bank Program

A. Next Steps:

- Establish a clear timeline for the launch of the Land Bank Program, aiming for Summer 2024.
- Collaborate with the Land Bank Working Group, consisting of HAC members, Planning Commission members, the City Attorney's Office, the City Manager, and the Housing Program Manager.
- Identify available vacant properties for acquisition and refurbishment.

B. Key Considerations:

- Determine the governance structure of the Land Bank and its authority.
- Explore funding sources and mechanisms for property acquisition and refurbishment.

- Address potential challenges related to property acquisition, rehabilitation, regionalized approaches/ collaboration, and community impact.

2. Charlottesville Affordable Housing Fund:

A. Next Steps:

- Continue ongoing evaluations of the fund's impact and effectiveness.
- Explore opportunities for expanding the fund's funding sources.

B. Key Considerations:

- Assess the fund's financial sustainability, identify potential funding sources, and optimize funding performance to align with the Affordable Housing Plan and Council Focuses on Strategic Outcome Area: Housing.
- Ensure that funds are allocated in alignment with affordable housing goals; monitor development program/project tracking and compliance.
- Establish connections and engage in meaningful conversations with experienced developers and reputable organizations committed to supporting initiatives to provide affordable housing solutions to those in need.

3. Charlottesville Supplemental Rental Assistance Program (CSRAP):

A. Next Steps:

- Evaluate the program for optimization and rescaling as needed.
- Identify eligible households and improve outreach efforts.

B. Key Considerations:

- Assess the program's budgetary requirements for optimization and rescaling as needed.
- Review program criteria and eligibility to ensure it reaches those most at risk of instability.
- Collaborate with community organizations to increase program awareness.

4. Real Estate Tax Relief Program:

A. Next Steps:

- Promote the effective opening of the application period for eligible homeowners on February 1, 2024.
- Engage homeowner associations from target program areas.

B. Key Considerations:

- Ensure program outreach reaches eligible homeowners, particularly seniors and disabled individuals.
- Monitor the program's budget and allocation to accommodate growing demand.

5. Revamp Use of Tax Increment Rebate/Performance Agreement for Affordable Housing:

A. Next Steps:

- Continue feasibility evaluation of the program.
- Define the program's parameters and incentives for developers.

B. Key Considerations:

- Assess the potential impact of the program on affordable housing development.
- Engage with stakeholders to understand their needs and preferences for incentives.
- Align the program with zoning and land use policies.

6. Water and Wastewater Fee Waiver Programs:

A. Next Steps:

- Explore options to expand existing fee waiver programs.
- Promote the availability of fee waivers to eligible households.

B. Key Considerations:

- Review the budget allocation for fee waiver programs and identify any necessary adjustments.
- Collaborate with utility providers to streamline the process of accessing fee waivers.

7. Consolidation of Strategic Investment Area and Small Area Plan Funds:

A. Next Steps:

- Streamline resources for targeted neighborhood revitalization, including affordable housing components.
- Identify specific neighborhood projects and initiatives.

B. Key Considerations:

- Ensure that the consolidation of funds does not hinder the progress of individual revitalization projects.

- Collaborate with community stakeholders to prioritize projects that align with neighborhood needs and aspirations.

As cited, CDC/ATSDR Social Vulnerability Index (SVI) as of 2024. **Social vulnerability** refers to the potential negative effects on communities caused by external stresses on human health. Reducing social vulnerability can decrease both human suffering and economic loss.

Source: https://www.atsdr.cdc.gov/placeandhealth/svi/interactive_map.html

Alignment with City Council's Vision and Strategic Plan

This request aligns with the City Council's Strategic Plan Framework Outcome Areas for Housing and Partnerships and the 2021 Affordable Housing Plan.

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.

Community Engagement

To foster community-driven housing initiatives, staff has closely collaborated with diverse stakeholder groups and community leaders. This collaborative effort has been instrumental in shaping the HEAT project and its associated service programs, including the development of a new ADU Manual. As part of our commitment to ongoing community engagement, we actively seek input from internal and external stakeholders. Our staff is dedicated to conducting annual reviews of the manual to ensure its continued effectiveness. Staff plans to maintain an open dialogue with community leaders in core neighborhoods like 10th/Page and Fifeville, and we are committed to expanding our outreach efforts to specific census tracts within the city. This continuous engagement allows us to shape our housing policies effectively and better serve our residents.

Budgetary Impact

Currently, there is no budget impact. However, as the implementation process begins, there may be a need for increased staff capacity. In the future, additional program components such as Land Bank, Tax Rebate/Performance Program, and others may require council authorization. They could have a budgetary impact, depending on their fiscal implications.

Recommendation

The City Manager and Staff recommend that the City Council endorse the proposed updated project/work plan for FY2024-2025 Strategic Outcome: Housing.

Alternatives

The council has the option to choose whether to support the work plan. If they decide not to endorse it, they can direct the City Manager to make necessary changes and have the relevant staff

implement the revised plan. The council may also authorize the City Manager to approve the revised plan without returning it to the council.

Attachments

1. HEAT Project Presentation
2. FY2024-2025 Strategic Outcome Area-Housing Workplan Details (Table)
3. Inclusionary Zoning Feasibility Analysis_Zoning Rate of Change Analysis