

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



Agenda Date:	June 3, 2024
Action Required:	Approval of the 1-Year Annual Action Plan for Program Year 2024-25 for the City's Community Development Block Grants (CDBG) and HOME Investment Partnerships (HOME) programs and appropriation of associated funds in the approximate amount \$521,634
Presenter:	Anthony Warn, Grants Analyst, Alexander Ikefuna, Director, Office of Community Solutions
Staff Contacts:	Anthony Warn, Grants Analyst Laurie Jean Talun (TJPDC)
Title:	Approving the 2024-25 Annual Action Plan for CDBG and HOME Programs and appropriation of associated CDBG funds (approximately \$438,617) and associated HOME funds (approximately \$83,016) (2nd reading)

Background

The City of Charlottesville (the City) is an Entitlement Community (EC) as designated by the U.S. Department of Housing & Urban Development (HUD) and, as such, is the recipient of annual allocations of federal funds through the Community Development Block Grants (CDBG) and or HOME Investment Partnerships program(s). Charlottesville is the sole participant in the CDBG program and participates in the HOME program as an active member of the Thomas Jefferson Area HOME Consortium (TJAHOC), a long-standing partnership between the City of Charlottesville and the Counties of Albemarle, Fluvanna, Greene, Louisa & Nelson.

Over the years, the City has used the funding it receives through these programs to invest in community organizations working to address a broad range of community needs, including economic development, housing, social programs and improvements to public facilities and infrastructure, among others, all with the goal of nurturing a Charlottesville in which every member of our community has the opportunity to thrive.

In order to maintain eligibility for receipt of these funds, the City and its partner in this work, the Thomas Jefferson Planning District Commission (TJPDC), are required to develop 5-year Consolidated Plans and subsequent Annual Action Plans that support activities designed to realize the goals outlined in the Consolidated Plans. The current Consolidated Plan covers the period from 2023 through 2027 and was approved by Council at a public hearing on May 1, 2023 (#R-23-065).

Discussion

Overview

For the upcoming 2024-25 program year, staff from the City's Office of Community Solutions (OCS) have worked closely with our colleagues at TJPDC to develop the draft Annual Action Plan presented here for review. In addition, the volunteer members of the City's CDBG/HOME Taskforce have carefully reviewed request for funding applications from numerous community organization and proposes funding activities designed to:

- Subsidize tuition for income-eligible city residents to participate in small business/microentrepreneur training programs;
- Support affordable housing (AH) preservation efforts through replacement of extremely aged and deteriorated roofs and energy-efficiency enhancements and associated home repairs for income-eligible homeowners;
- Improve the health and safety of residents in over 55 public housing units through training and educational opportunities;
- Foster economic development and self-sufficiency programs for residents of publicly supported housing, limited English proficient adults and for new Americans and other vulnerable populations to build their financial knowledge, skills & assets;
- Foster economic development for residents of local shelters transitioning out of homelessness by providing transportation services to and from employment opportunities when public transit is not a feasible option;
- Support residents of publicly subsidized housing at risk of displacement through financial assistance and educational opportunities;
- Expand new opportunities for; and
- Expand affordable housing ownership opportunities for income-eligible residents by providing downpayment assistance to prospective homebuyers and by providing direct financial assistance to support the development of new units of affordable housing.

To arrive at these recommendations, taskforce members carefully evaluated each request for funding received and, in the end, made difficult decisions about where to invest the limited CDBG & HOME funds available to support positive impacts in the lives of those low- and moderate-income residents at the heart of this work.

Applications Review

Specifically, the Taskforce reviewed a total of seventeen (17) requests for funding, fourteen (14) for funding through CDBG and three (3) through HOME.* Total new requests for funding for both programs amounted to \$1,224,986.00, whereas the City has just \$433,910.26 available to commit to activities for program year 2024-25 ($\Delta = \$791,075.74$). Additionally, new requests for funding for what HUD classifies as Public Service programs totaled \$272,986, whereas the City has just \$65,792 available to commit to activities for the upcoming program year ($\Delta = \$207,193$).

Conclusion

While never an easy task, the work of the Taskforce this year has been made more challenging by the fact that as of May 6, 2024, HUD had yet to release its official formula allocations for CDBG & HOME.** (By way of comparison, formula allocations are typically released sometime between late January through mid-March). In the absence of final allocation numbers to work with, the Taskforce based its CDBG & HOME funding recommendations on the allocations received in the previous program year and identified a precise percentage value for each new funding recommendation.** When HUD released the new 2024 allocation values after the conclusion of the Taskforce's work, the proposed funding recommendations were recalculated using the previously established percentage values and the final funding agreements with subrecipients will reflect the amounts outlined in the Summary of Funding Recommendations document (see attached).

And while the members of the CDBG/HOME Taskforce would have liked to have been in the position of being able to fund each applicant in full, the funding recommendations outlined in the Annual Action Plan represent the Taskforce's studied efforts to invest the limited funds available to them to maximize the positive impacts for our community and those residents at the heart of this work.

* PDF copies of the applications received are available online by following the 'CDBG & HOME Applications' link at <https://www.charlottesville.gov/678/CDBG-HOME-Programs>

** HUD finally released preliminary allocation numbers for CDBG and HOME programs on May 7, 2024, indicating that for program year 2024-25 the City can expect to receive approximately \$438,617 for CDBG and the HOME Consortium can expect to receive approximately \$651,111. These new allocations represent an increase of \$28,149 increase for CDBG (or +6.86%) but a dramatic reduction of \$134,175 for HOME (or -17.09%).

*** To ensure accuracy, percentage values for recommended awards have been calculated to at least the hundred millionths, even though the attached recommendation summary only shows to the hundredths place.

Alignment with City Council's Vision and Strategic Plan

The proposed action plan was developed so as to closely align with and support the City Council's vision of the City of Charlottesville as a community in which everyone has the opportunity to thrive. Specifically, activities have been carefully selected to support progress in several areas highlighted in Council's Strategic Vision: Climate Action, Economic Prosperity, Housing, Education & Partnerships.

Climate Action is addressed at several points, notably by the recommendation to fund solar and other energy-efficiency upgrades that will help income-eligible homeowners make significant improvements to their homes that will reduce energy usage and carbon emissions, such as through replacing aging boilers and heaters with solar-generated energy and high efficiency appliances and heat pumps, among others. **Economic Prosperity** and increased economic self-sufficiency for low- and moderate-income residents is supported through several of the recommended programs, from tuition subsidies for small businesses to participate in specialized training programs through a local CDFI to literacy and financial literacy supports from local nonprofits.

Similarly, the City's efforts to strengthen the availability of **Affordable Housing** for income-eligible residents is supported through several recommended programs, including through novel downpayment assistance programs to expand homeownership opportunities, much-needed renovations to affordable rental units owned and operated in partnership between the City and the Charlottesville Redevelopment Housing Authority (CRHA) and the development of entirely new affordable housing units to be made available for purchase to income-eligible residents.

As can be seen through the overview of the funding recommendation described above, **Education** is a cornerstone of most of the recommended funding awards, notably through the provision of individualized intensive literacy tutoring for adults seeking to enhance their economic and employment opportunities and multiple programs offering economic literacy training and supports. Additionally, the success of the proposed programs rests both on nurturing existing **Partnerships** as well as on fostering new opportunities for partnerships within and among the programs recommended for funding. Interestingly, several of the programs seek to address problems in similar ways that seem ripe for fostering new and exciting partnerships.

Similarly, the proposed plan is designed to be supportive of Council's goals for a healthy and equitable local housing market, as outlined in the 2021 Affordable Housing Plan, as well as the guiding principles of the 2021 Comprehensive Plan.

Community Engagement

Both the proposed 1-Year Annual Action Plan and the proposed CDBG/HOME Taskforce funding recommendations represent a significant amount of outreach to and engagement with the public, including: over 39 meetings held between December 2022 and April 2023; an online survey

conducted between February 7, 2023 and February 24, 2023, the purpose of which was to identify and prioritize housing needs and economic development and community development needs for the TJAHC service area over the next five years, and also assisted in identifying impediments to fair housing choice (translated versions were offered in Spanish, Farsi, and Swahili) and data requested and provided by many organizations that provide services to the greater Charlottesville community. In addition, the CDBG/HOME Taskforce hosted four (4) public meetings as they reviewed requests for funding.

The proposed 1-Year Annual Action Plan is scheduled to be presented to the City's Planning Commission at a public hearing on Tuesday, May 14, 2024, and is currently available for a 30-day period of public comments. Members of the public can find a printable copy online at <https://tjpd.org/our-work/thomas-jefferson-regional-home-consortium> and learn more about this work at <https://www.charlottesville.gov/1632/Public-Notices>.

Budgetary Impact

As the funds proposed here are federal funds allocated to the City by HUD to address important community needs and, as such, do not draw from the City's General Fund, no adverse impacts to the City's budget are anticipated. Participation in the HOME program does require a match drawn from local funds of 25% of all HUD funds used, which for program year 2024-25 will represent an appropriation of approximately \$20,754.17 from the Charlottesville Affordable Housing Fund (CAHF), consistent with past practice.

Rather, investment of these funds as recommended in this action plan will instead serve to address multiple important and pressing community need(s) while at the same time supporting the City's eligibility to benefit from allocations of entitlement funds in future years.

Recommendation

Based on the anticipated benefits of the current proposal to the Charlottesville community, specifically in that the activities presented herein directly address important needs within our community, staff recommends that Council approve the program year 2024-25 Annual Action Plan with the suggested motion:

“I move to approve the RESOLUTION approving the City of Charlottesville Annual Action Plan for the program year 2024-25 CDBG & HOME programs.”

Staff also recommends that Council approve the funding recommendations of the CDBG/HOME Taskforce and appropriate associated funds with the suggested motions:

“I move to approve the RESOLUTION appropriating Community Development Block Grant funds to be received from the U.S. Department of Housing and Urban Development in support of the program year 2024-25 Annual Action Plan, in the approximate amount of \$438,617.”

and

“I move to approve the RESOLUTION appropriating HOME Investment Partnership Program funds to be received from the U.S. Department of Housing and Urban Development in

support of the program year 2024-25 Annual Action Plan, in the approximate amount of \$83,016.”

Alternatives

Given that CDBG and HOME funds are provided to the City by HUD for the execution of meaningful community-benefit programs and, as such, are not drawn from the City’s General Fund, no alternatives courses of action are presented here.

Attachments

1. Resolution to Approve the 1-Year Annual Action Plan for Program Year 2024-25
2. Resolution to Appropriate Associated CDBG Program Funds PY24-25
3. Resolution to Appropriate Associated HOME Program Local Match Funds from the Charlottesville Affordable Housing Fund (CAHF) PY24-25
4. Draft Charlottesville/TJPDC 1-Year Annual Action Plan PY24-25
5. CDBG/HOME Taskforce Funding Recommendations PY24-25
6. Summary of CDBG & HOME Requests for Funding PY24-25
7. Council Priorities Memo PY24(1)
8. Taskforce PY24 CDBG & HOME (2024-03-14) Orientation PACKET
9. Taskforce PY24 CDBG & HOME (2024-03-20) Review Session PACKET
10. Taskforce PY24 CDBG & HOME (2024-04-14) Work Session PACKET
11. Taskforce PY24 CDBG & HOME (2024-04-17) Review Session PACKET