

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



Agenda Date:	April 1, 2024
Action Required:	Resolution (2 readings)
Presenter:	Antoine Williams, Housing Program Manager
Staff Contacts:	Alexander Ikefuna, Director of Community Solutions Antoine Williams, Housing Program Manager Madelyn Metzler, Housing Compliance Coordinator
Title:	Award of FY24 Charlottesville Affordable Housing Fund (CAHF) and FY25 Housing Operations and Program Support (HOPS)

Background

The City's FY24 budget included the Charlottesville Affordable Housing Fund (CAHF) funding. A Notice of Funding Availability (NOFA) was issued in July 2023, announcing timelines and the amount of funding available for the CAHF Grant program. The notice specified \$835,000 available for CAHF with an application deadline of November 16, 2023. The recommendations for the FY24 CAHF allocations are below.

Starting in FY24, affordable housing-specific applications were removed from the Vibrant Community Fund process and reviewed separately. This affordable-housing-specific application process is now called the Housing Operations & Program Support (HOPS) program.

The City's FY24 budget included funding for HOPS through the Charlottesville Affordable Housing Fund (CAHF). A Notice of Funding Availability (NOFA) was issued in July 2023 announcing \$585,000 available with an October 16, 2023, application deadline for the HOPS program.

The recommendations for the FY24 CAHF and FY25 HOPS allocations are below.

Discussion

Staff received six (6) applications CAHF applications and seventeen (17) HOPS applications for funding by the submission deadline. A total of \$2,217,332 in funding was requested in the CAHF applications and \$1,717,220 was requested in HOPS applications. The CAHF Committee reviewed and scored the applications individually and as a group. The committee first ranked the importance of the type of service being provided, its alignment with the City's affordable housing goals, and the quality and completeness of the application. These rankings were made collectively as a committee and categorized, as follows:

- A = support/benefit/need for services, no follow-up questions for applicant
- B = questions as to the benefit provided or alignment with City goals
- C = request not clear/limited benefit or alignment with City goals

The grid below shows how the type of rankings aligned:

	A	B	C
CAHF	3 applications	2 applications	1 application
HOPS	5 applications	7 applications	5 applications

The committee members individually scored the applications based on the quality of applications and programs using a scoring tool developed by the Committee. Following an overall discussion of every application and ranking applications based on the type of service provided, the committee then finalized their individual scores. Following tabulation of committee members' individual scoring and discussion of any scores with wide discrepancies, the Committee came to a scored rating based on averages of each reviewer's score, with a maximum possible score of 105 for CAHF applications and 110 for HOPS applications.

The grid below shows how the quality rankings aligned:

	65-74	75-84	85-94	95 to maximum
CAHF	1 application	2 applications	2 applications	1 application
HOPS	4 applications	3 applications	2 applications	8 applications

Due to the amount of funding proposed as available through this application cycle, and following review of the type of service rankings and the average scoring rankings, the committee recommends that four (4) of the CAHF applications be funded at between 56% and 100% of their requested funding and that eight (8) of the HOPS applications be funded at between 70% and 87% of their requested funding.

A summary of the applications and the recommendations for **FY24 CAHF** allocations are presented below:

Applicant	Project Name	Request	Description
Albemarle Housing Improvement Program	Charlottesville Critical Rehabilitation Program	\$210,000	Funds for emergency home repairs, energy-efficiency upgrades, accessibility modifications, and maintenance tasks for six households. Private project funds will be leveraged with an anticipated investment of up to \$35,000 per unit.
Charlottesville Redevelopment and Housing Authority	CRHA Homeownership Program	\$550,000	Funds for affordable homeownership opportunities through acquisition, rehabilitation, and downpayment assistance. Anticipated investment of \$225,000 per unit.
Community Services Housing, Inc.	Rehabilitation Repairs to Preserve Community Services Housing Properties	\$74,054	Funds for critical repairs at four CSH properties, supporting 13 units. Anticipated investment of up to \$5,696 per unit.

Habitat for Humanity of Greater Charlottesville	Habitat Core 2024	\$525,000	Funds for new construction and renovation of homes to provide affordable homeownership opportunities for 18 households. Anticipated investment of \$15,000 to \$35,000 per unit.
Piedmont Housing Alliance	501 Cherry Avenue	\$375,000	Funds to increase affordability for three units within a redevelopment project including affordable housing and community facilities. Anticipated investment of \$125,000 per unit.
Virginia Supportive Housing	Premier Circle Permanent Supportive Housing	\$483,278	Funds to leverage project funds for homeless individuals. Anticipated investment of \$6,041 per unit in total, or \$7,107 per unit expected to be occupied by a city resident.

The Charlottesville Affordable Housing Plan recommends that targeted funding awards should be allocated as follows:

Level of Funding	Percentage of Funding	Amount of Funding	Households Served
Tier 1	50%	\$417,500	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	30%	\$250,500	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	20%	\$167,000	serving households with incomes up to 80% of Area Median Income (AMI)

However, if City Council approves the allocation as recommended by the CAHF Committee, funding by Tier level, as recommended, should be awarded as follows:

Level of Funding	Percentage of Funding	Amount of Funding	Households Served
Tier 1	59%	\$494,369	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	35%	\$290,315	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	6%	\$50,315	serving households with incomes up to 80% of Area Median Income (AMI)

After careful consideration and discussion of all applications, the CAHF Committee recommended the following awards of CAHF funding:

- AHIP's Charlottesville Critical Rehabilitation Program: \$117,196
- Community Services Housing, Inc.'s Rehabilitation Repairs to Preserve CSH Properties: \$74,054
- Habitat for Humanity of Greater Charlottesville's Habitat Core 2024: \$393,750
- Piedmont Housing Alliance's 501 Cherry Avenue: \$250,000

The Committee did not recommend funding for applications from CRHA and Virginia Supportive Housing. While the projects proposed in the applications may have merit, the Committee assigned them a lower priority in the context of competing applications and the limited funding available in the CAHF.

CRHA's application requested funds to support a program to acquire Naturally Occurring Affordable Housing (NOAH) units. In essence the funds would provide a reserve to cover part of the costs of housing acquisition when suitable units are identified. The Committee recommends that Council may want to consider alternative funding approaches for such efforts within the context of an overall NOAH acquisition strategy.

Virginia Supportive Housing requested funds to support its construction of permanent supportive housing in the Premier Circle project. The Committee recognizes the critical need for this housing but recommends that the complexity of the budget and funding aspects of the project should be considered for additional funding outside of the CAHF process as it is currently constituted.

A summary of the applications and the recommendations for **FY25 HOPS** allocations are presented below:

Applicant	Project Name	Request	Description
Albemarle Housing Improvement Program (AHIP)	Charlottesville Critical Emergency Repair Program	\$300,000	Requested funding would directly support client intakes, counseling, consultation, program planning, management, and administration. The program provides critical repairs, housing rehabilitation, and energy-efficient upgrades to low-income households in the city. The primary goals include ensuring homeowner safety, preserving and enhancing homes, preventing displacement, and maintaining affordable housing.
Blue Ridge Area Coalition for the Homeless (BRACH)	Homeless System of Care Coordination	\$50,000	Requested funding would directly support increased staffing capacity within BRACH to provide better system coordination and to support innovative partnerships, housing development, collaborative program applications, and long-term planning. The program enhances the coordination of the homeless service system, reducing homelessness by making it rare, brief, and non-recurring.
Blue Ridge Area Coalition for the Homeless (BRACH)	Homeless System of Care Centralized	\$40,000	Requested funding would directly support full-time equivalent staffing of the Homeless Information Line. The Homeless Information

	Access – Homeless Information Line		Line serves as the primary access point for homeless services, providing information and employing diversion techniques and referrals to community resources.
Central Virginia Legal Aid Society (CVLAS)	Charlottesville Housing Outreach Attorney	\$113,600	Requested funding would directly support a full time attorney to focus on stabilizing owner and renter households in the City through prevention of illegal and improper evictions and foreclosures. CVLAS offers free legal representation and community legal education to low-income and elderly clients in civil law cases. With a history spanning over 50 years, they serve vulnerable residents facing legal issues in various areas, including housing.
Charlottesville Redevelopment and Housing Authority (CRHA)	CRHA Resident Services Program	\$150,000	Requested funding is for operational support of the Resident Services Program. The program focuses on the intersection of economic opportunity, personal wellness, and stable housing. The program includes housing stability initiatives, Family Self-Sufficiency (FSS) programs, workforce development, and community engagement efforts, and aims to empower residents and seeks to address their needs, involving them in the redevelopment and modernization process.
Community Services Housing, Inc. (CSH)	Community Services Housing	\$78,620	Requested funding would support the provision of affordable, inclusive, and supportive housing for individuals with disabilities and extremely low incomes in Charlottesville by ensuring residents have access to housing and vital services, including case management, mental health support, and recovery services.
Georgia's Friends, Inc.	Transitional Living Services Pilot Program	\$25,000	Requested funding would support the expansion of existing services, which aid women in the early stages of recovery from substance-use disorders and co-occurring mental health challenges. Expansion would include providing a continuum of care for graduates, offering a Level 2 recovery residence, financial assistance, and support programs. This program addresses barriers such as high living costs, debt, and felony convictions, enabling women to achieve long-term sobriety and independence.

Habitat for Humanity of Greater Charlottesville (HFH Charlottesville)	HFH Charlottesville Homeownership Program	\$75,000	Requested funding would support additional staff capacity and allow HFH Charlottesville to continue their traditional homeownership program while aggressively expanding partnerships with local realtors, affordable mortgage lenders, nonprofit financial service organizations, private funders and local builders and developers that will increase accessibility to homeownership in the City. The existing program empowers low- and very low-income families (25-60% AMI) to achieve homeownership and financial stability through financial coaching, homebuyer education, employment assistance, housing navigation, and community resource connections.
Legal Aid Justice Center (LAJC)	Housing Legal Services	\$50,000	Requested funding would support the Housing Legal Services program, which utilizes both attorneys and community organizers to prevent evictions, protect the rights of low-income renters, and increase the quality and quantity of affordable housing in Charlottesville.
Local Energy Alliance Program, Inc (LEAP)	Reducing Energy Burdens (REB)	\$85,000	Requested funding would support capacity building of the program, which supports affordable housing through reducing energy burdens for low-income households in the City. Expanded capacity will allow LEAP to reach more City residents and provide deeper home energy retrofits addressing beneficiary needs not covered by other City and utility funding streams.
New Hill Development, Inc.	New Hill Affordable Housing Initiative	\$50,000	Requested funding would support doubling the number of first-time homebuyer workshops offered each month, enabling of New Hill's program coordinator to focus exclusively on housing initiatives, providing administrative support to the VIDA program, and ongoing coaching efforts for the First Time Homebuyers program as well as foreclosure mitigation.
People and Congregations Engaged in Ministry (PACEM)	PACEM Case Management	\$100,000	Requested funding would directly support a base salary for two specialized case managers: one focusing on women, and one focusing on seniors. PACEM's housing-focused case management provides guests with the knowledge and support needed to leave their shelter for permanent, stable housing.

Piedmont Housing Alliance (PHA)	Charlottesville Affordable Housing Program	\$185,000	Requested funding would support critical frontline staff, enabling them to directly engage with and provide vital resources for 2,500+ of Charlottesville's most vulnerable and resilient low-income families to stabilize finances, improve lives, and strengthen our community.
Public Housing Association of Residents (PHAR)	PHAR Internship Program	\$45,000	Requested funding would support operational costs of the PHAR Internship Program, which educates and empowers public housing and Section 8 residents, enabling them to engage with city officials and advocate for a more equitable, responsive, and inclusive community. This 6-month, hands-on civic participation experience is designed to uplift historically marginalized individuals, including residents of majority-black public housing communities, to enhance their quality of life and community engagement.
Restoration and Hope House LLC	Restoration and Hope House Program	\$150,000	Requested funding would support assisting non-violent female offenders transitioning from prison back into society by addressing the lack of facilities with adequate resources to support these women; to focus on helping individuals develop positive mindsets and routines related to physical and mental support within the broader community; and to provide secure housing and connect female ex-offenders with employment opportunities.
The Haven at First & Market Inc (the "Haven")	Vital Housing Services	\$150,000	Requested funding would support the salaries of Housing Team staff and functions at The Haven necessary to operate Vital Housing Services, such as: Homeless Management Information System (HMIS) administration, website administration, Human Resources support, strategic leadership, and IT support.
The Haven at First & Market Inc (the "Haven")	The Haven Day Shelter	\$110,000	Requested funding would support the salaries and benefits of Day Shelter staff who provide essential services and support to city residents experiencing homelessness, ensuring a safe and welcoming environment for stability, resources, and housing interventions year-round and during emergencies.

After careful consideration and discussion of all applications, the CAHF Committee recommended the following awards of HOPS funding:

- BRACH's Homeless System of Care Coordination Program: \$35,000

- BRACH's Homeless Information Line Program: \$28,000
- Community Services Housing's Community Services Housing Program: \$55,034
- Habitat for Humanity of Greater Charlottesville's Homeownership Program: \$65,250
- PACEM's Case Management Program: \$70,000
- Piedmont Housing Alliance's Charlottesville Affordable Housing Program: \$148,000
- The Haven's Vital Housing Services Program: \$95,716
- The Haven's Day Shelter Program: \$88,000

Alignment with City Council's Vision and Strategic Plan

The recommendations align with the 2021 Affordable Housing Plan, and City Council's Strategic Plan Framework/Strategic Outcome Areas (SOA): Housing, Partnerships, Mobility/ Economic Prosperity, Justice, Equity, Diversity, and Inclusion.

1. Alignment with Affordable Housing and Comprehensive Plans: The funding recommendations made by the CAHF Committee for the CAHF and HOPS programs align with the goals and priorities outlined in Charlottesville's Affordable Housing and Comprehensive Plans. The recommended funding supports initiatives addressing homelessness prevention, legal assistance, homeownership support, and affordable housing development, key focus areas of the city's affordable housing plan.
2. SOA Housing: *Housing Choice and Mobility*: The CAHF and HOPS programs support a variety of initiatives aimed at improving housing affordability and accessibility. These include critical repairs, housing rehabilitation, homelessness prevention, legal aid for housing-related issues, and homeownership programs. By providing diverse housing options, the program directly contributes to housing choice and mobility for all residents, as outlined in the Affordable Housing Plan.
3. SOA Economic Prosperity: *Driving Prosperity for All*: Investing in affordable housing initiatives through the CAHF and HOPS programs ensure that all residents have access to stable and affordable housing. Stable housing is foundational for pursuing economic opportunities, building wealth, and contributing to community prosperity. By fostering economic stability for residents, the program drives economic prosperity for the entire community.
4. SOA Partnerships: *Magnify Positive Community Outcomes through Capacity Support*: The CAHF and HOPS programs involve collaboration with various stakeholders, including nonprofit organizations, housing authorities, legal aid services, and community development organizations. These partnerships amplify the positive outcomes of affordable housing initiatives by leveraging resources, expertise, and community networks. By fostering meaningful collaborations, the program enhances the effectiveness of initiatives addressing housing needs.
5. Commitment to Justice, Equity, Diversity, and Inclusion: The CAHF and HOPS programs reflect the city's commitment to justice, equity, diversity, and inclusion by addressing housing needs across various demographic groups and socioeconomic backgrounds. By providing housing support to vulnerable populations and advancing social and economic justice, the program contributes to creating a more inclusive and equitable community.

In summary, the CAHF and HOPS Grants programs and the CAHF Committee's funding recommendations align closely with Charlottesville's vision for creating an environment where everyone can thrive. Through these grants support for affordable housing initiatives, the programs contribute to economic prosperity, foster partnerships, and promote justice, equity, diversity, and inclusion. Moving forward, continued investment in the CAHF and HOPS Grants programs will be essential for advancing the city's goals for inclusive and equitable community development.

Community Engagement

This allocation of CAHF and HOPS funding is in keeping with the provisions in the Affordable Housing Plan and 2021 Comprehensive Plan recommended by the Planning Commission and approved by the City Council. Both documents went through an extensive public engagement process. Also, the application review was done by the CAHF Committee, members of which are appointed by the City Council as representatives from staff and the community.

Budgetary Impact

This request does not encumber any additional funding from the City budget. Funding for CAHF and HOPS was allocated in the Capital Improvement Program (CIP) FY23/24 budget. This approval allocates this FY23/24 CIP funding.

Recommendation

Staff recommends City Council approve the attached Resolutions awarding FY24 CAHF funding. If approved, the funding will support various levels of affordable housing, as follows:

- AHIP's Charlottesville Critical Rehabilitation Program: \$117,196
- Community Services Housing, Inc.'s Rehabilitation Repairs to Preserve CSH Properties: \$74,054
- Habitat for Humanity of Greater Charlottesville's Habitat Core 2024: \$393,750
- Piedmont Housing Alliance's 501 Cherry Avenue: \$250,000

Staff recommends City Council approve the attached Resolutions awarding FY25 HOPS funding. If approved, the funding will support various programs related to affordable housing and homelessness, as follows:

- BRACH's Homeless System of Care Coordination Program: \$35,000
- BRACH's Homeless Information Line Program: \$28,000
- Community Services Housing's Community Services Housing Program: \$55,034
- Habitat for Humanity of Greater Charlottesville's Homeownership Program: \$65,250
- PACEM's Case Management Program: \$70,000
- Piedmont Housing Alliance's Charlottesville Affordable Housing Program: \$148,000
- The Haven's Vital Housing Services Program: \$95,716
- The Haven's Day Shelter Program: \$88,000

Alternatives

City Council could decide to provide the recommended projects with different levels of funding than those recommended. Council could also decide to fund a different set of the projects outlined above or choose to not award any funding for any of these projects at this time.

Attachments

1. MEMO and Attachments_FY24CAHF-FY2025HOPS_04012024_Consent Agenda
2. MEMO and Attachments_FY24CAHF-FY2025HOPS_04012024_Consent Agenda