To: Thomas Jefferson Planning District Commission
From: David Erzen, TJPDC Graduate Housing Intern
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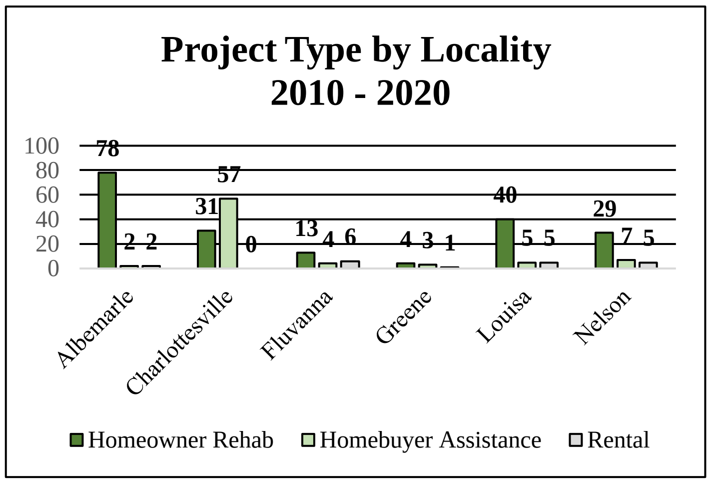
Subject: HOME Consortia Survey and Findings

The Thomas Jefferson Planning District Commission (TJPDC) administers the Charlottesville HOME Consortium, the recipient entity of the HOME federal housing block grant program established in 1990, as no individual jurisdiction in the region qualifies separately for the funds. Since the consortium's founding, each locality received an equal allocation of the annual funds awarded to the region, as well as set-aside funds dedicated to qualified community housing development organizations (CHDOs) that approximately doubles a locality's allocation every six years.

In the near 30 years of the consortium's existence, the effectiveness of the consortium's allocation schema has not been thoroughly evaluated, potentially inhibiting the HOME program from operating at an optimal level. Accordingly, a review of HOME consortia throughout the country was conducted to identify alternative administrative strategies, noted in this document, which the member localities of the Charlottesville HOME Consortium might consider adopting to best deliver affordable housing services within the region.

Charlottesville HOME Consortium activities focus on the City and Albemarle County

The Charlottesville HOME Consortium annually allocates funding to member localities (City of Charlottesville, Albemarle County, Fluvanna County, Greene County, Louisa County, and Nelson County) who assign their apportionment to area non-profits (known as subrecipients). These subrecipients execute projects targeted at low and very low-income households by building, buying, or rehabilitating affordable housing for rent or ownership or providing direct rental assistance.



Between 2010 and 2020, challenges persisted among some member localities to utilize their annual allocation, generating a vast discrepancy in services between localities even when allocated equal resources. Notably, Greene County completed only eight projects over the decade, with the investment per unit, on average, at $71,871 (adjusted to USD2020). Considering the capacity of other localities, like Louisa, Albemarle, and Charlottesville, to stretch the investment dollars further (albeit by focusing on rehab projects), the Charlottesville HOME Consortium might want to consider moving away from strict geographic allocations.

HOME Consortia vary dramatically based on regional needs

A survey of the 146 consortia receiving federal funding in FY21 was conducted to understand better the allocation strategies used by HOME consortia. However, given the diversity of HOME consortia by geographic size, urbanicity, and population, the scope of the analysis was narrowed to only include consortia that met at least one of these criteria: 1) the consortium services five or more jurisdictions and 2) the consortium includes at least one non-CDBG eligible county. Criterion 1 was used to focus the survey on consortia that require broad collaboration between different governments. Criterion 2 was used to highlight consortia with both rural and urban stakeholders. Seventy-four consortia met either one or both criteria.

Next, the five-year consolidated plans of each identified consortia were inspected to classify the funding distribution method and type of administrative entity. To highlight some of the distribution methods: 32% of consortia allocated funds based on the geographic priorities of the region, 26% solicit subrecipients to complete projects with RFPs, and 16% dedicate funds to specific project categories (i.e., down-payment assistance or homeowner rehab) in line with regional needs. Also, in terms of logistical practices, only 15% of consortia surveyed were administered by a regional body (i.e., Planning District or Council of Government). Given the unique challenges and opportunities associated with regional entities administering the HOME program, this share of consortia was contacted to participate in informational interviews by phone or video conference. The following sections of this document highlight the key observations and findings from three of those meetings.

Case Studies

Blacksburg, Virginia. The Town of Blacksburg serves as the administrative entity, with support from the New River Valley Planning District Commission. The consortium, composed of four counties and one independent city, rotates the entirety of its HOME funds annually between the five participating localities (typically including the funds set aside for the CHDO). Using this model, each of the localities has adequate time to prepare for their year in the funding cycle. Additionally, the consortium utilizes a board that meets quarterly to discuss regional housing priorities. Two people from each locality represent their locality on the board, with at least one member being an elected official, in addition to two other people representing CHDOs as non-voting members.

Winchester, Virginia. The Northern Shenandoah Valley Regional Commission (NSVRC) administers the Winchester HOME Consortium, serving five rural counties and one independent city. Originally, the NSVRC worked with a consortium board to guide the planning and execution of HOME activities; however, the board was composed primarily of housing developers with conflicts of interests (essentially deciding who among the board members would receive that year's funding). The board was eventually dissolved, and now the NSVRC works directly with four non-profits to administer Tenant-Based Rental Assistance on a first-come, first-serve basis. While this reduces funding carry-over from year to year, this model has inhibited larger development projects from being pursued.

Tulsa County, Oklahoma. The Indian Nations Council of Governments (INCOG) serves the twenty-four member localities of the Tulsa County HOME Consortium. With INCOG staff determining regional priorities each year as a part of the annual action plan writing process, HOME funds become earmarked for said priorities. (Originally, there was a policy committee composed of locally elected officials; however, the group was not nimble enough to keep up with the speed of housing development and fell out of favor.) Further, identifying the need for elderly housing in their region, INCOG staff connected with a developer, encouraged them to establish a non-profit subsidiary and then designated the recipient of their annual CHDO funding. Since their partnership began in the early 1990s, CHDO funds helped construct twelve apartment complexes for elderly people with limited resources.

Moving forward, collaboration is key.

Ultimately, this survey demonstrates the diversity in approaches used to administer HOME consortia, even among the closest of peer consortia. By extension, directly importing a funding allocation strategy that happens to work well with a peer may not necessarily yield an improvement for the Charlottesville HOME consortium. Rather, three high-level lessons include:

Create a forum to freely discuss HOME funds with a regional perspective. Buy-in and knowledge sharing among member localities supersede the exact mechanisms used to distribute funds. Include knowledgeable staff in those conversations.

Define the vision and consider all the options to realize it. Similar to INCOG, where a need was identified, and creative decision-making occurred to address the need, the Charlottesville HOME Consortium should not rule out any option or think small.

Include flexibility throughout the consortium structure. With fewer self-imposed rules (i.e., specifying equal distribution of the HOME award each year) the consortium will be freer to realize more ambitious regional housing goals.