

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



Agenda Date:	September 20, 2021
Action Required:	Public Hearing and Approval
Staff Contacts:	Erin Atak, Grants Coordinator
Presenter:	Erin Atak, Grants Coordinator
Title:	Review of Program Performance and Setting Priorities for Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funds for Program Year 22-23 (Public Hearing)

Background:

This public hearing is intended to serve as a forum for public comment on the Program Year (PY) 20 (July 1, 2020 through June 30, 2021) Consolidated Annual Performance and Evaluation Report (CAPER) and to aid City Council and staff in gathering information about the City's needs. Goals and priorities determined because of this public hearing will be the framework for funding recommendations made by the CDBG Task Force for funding available after July 2022. Based on current projections, the City can expect CDBG funding amounts similar to funds received in PY 20 or about \$433,471. The City can expect HOME funding to be similar or less than that received in FY 20 which is about \$80,575.13 per locality, or \$644,752 total for the HOME consortium.

Discussion

FY 2020-2021 PROGRAM PERFORMANCE HIGHLIGHTS

In FY 21, CDBG projects benefited 1691 people. Regular entitlement projects included technical assistance for microenterprises and entrepreneurs, homelessness re-entry services, park public infrastructure improvements, and homeowner rehabilitation. Emergency covid projects included short term rental relief programs, community health outreach, technical assistance for microenterprises, coordinated entry services for the homeless, and emergency financial services for low-to-moderate income Charlottesville residents. For CDBG-CV activities, economic development projects and public service activities will have successes and growth far after FY 21 as this is a 6-year grant. Some infrastructure improvements have been completed within the Belmont neighborhood; however, project outcomes cannot be reported until the project activities are fully complete.

CDBG Activities – Program Year 2020		Goal	Actual
Support Job Improvement through Microenterprise Assistance	Business Assisted	15	20
Support Homeless and Transition to Independence	Persons Assisted	41	570
Conduct Public Services Employment Training	Persons Assisted	28	32
Housing Subsistence Payments (Covid Relief)	Persons Assisted	391	391
Enhance & Improve Access to Neighborhood Amenities	Persons Assisted	2240	2240
Health Services	Persons Assisted	316	316
Housing Rehabilitation	Housing Units	4	3
HOME Activities – Program Year 2020		Goal	Actual
Homeowner Rental Rehabilitation	Persons Assisted	1	1
Downpayment Assistance	Persons Assisted	11	16

For the Program Year 2020 (July 1, 2020 through June 30, 2021), the City completed the above projects using CDBG, CDBG-CV, CDBG-CV3, and HOME funds. Seventy-one (71%) of CDBG beneficiaries and sixty-eight percent (68%) of HOME beneficiaries were minorities.

Note, for CDBG, the count breakdown for Race data equals the count breakdown for Ethnicity. Low to moderate area (LMA) projects, such as the 10th & Page infrastructure project and Belmont Franklin Street infrastructure project, does not include race/ethnicity data in outcomes.

HOME figures are based on head of household only. The table below outlines the activities, goals, and outcomes for the Program Year 20 HOME program.

HOME Consortium Activities - Program Year 2020		
Project Type	Goal	Actual
Homebuyer Assistance	10	9
Homeowner Rehabilitation	17	22
New Home Construction	2	6
Acquisition and Construction	1	1
TOTAL	30	38

HOME Consortium Activity Geographic Distribution and Location of Investments			
Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Albemarle County	15%	28%	16 Homeowner Rehabilitation project completed.

City of Charlottesville	45%	51%	3 homeowner rehab using CDBG dollars, plus 1 HOME homeowner rehab completed and 16 downpayment assistance activities completed.
Fluvanna County	9%	0%	No projects completed due to COVID-19 delays
Greene County	11%	7%	Acquisition and Construction project underway. COVID-19 delays have occurred.
Louisa County	9%	13%	New housing construction activity underway. COVID-19 delays have occurred.
Nelson County	9%	1%	5 Homeowner rehabilitations.

Please note, due to the global health pandemic, there were setbacks across the region through the CDBG and HOME programs. The full FY 21 CAPER Draft Report can be found on the City’s website by clicking [here](#) under the resources tab.

SETTING PRIORITIES FOR FY 22-23

Current Year’s Plan: The priorities set by Council for FY 21, as determined at the September 21, 2020 public hearing, were access to affordable housing (including but not limited to low income housing redevelopment), workforce development (including but not limited to low income housing redevelopment), workforce development (including but not limited to efforts to bolster Section 3 training opportunities and partnerships with the City’s GO programs) microenterprise assistance, access to quality childcare, homeowner rehabilitation, and down payment assistance. For FY 21, 20% of the CDBG entitlement was allocated to Administration and Planning, which pays for the Grants Coordinator position and other grant support fees (i.e., Environmental Review Records, citizen participation, Davis Bacon, Section 3 requirements, etc.), and 15% of the balance was devoted to public service activities. The remaining funds were set-aside for economic development and housing projects and for the Ridge Street Priority Neighborhood. The current fiscal year’s adopted budget is attached to show how funding has been allocated to the different funding categories.

Following the public hearing, staff is asking Council to provide the following direction:

- 1. Set priorities for CDBG & HOME Programs** – Council is asked to determine what the priorities are for FY 22-23 CDBG and HOME Programs. Having specific priorities helps the CDBG Task Force ensure that the diminishing funds are targeted towards projects that meet the goals of Council, the Consolidated Plan and the Growing Opportunities Report. The high priority needs identified in the Consolidated Plan include: risk of homelessness, lack of jobs that pay a sufficient wage, rental cost-burden, lack of training needed by employers, high cost home purchase, transportation access barriers, housing options for special needs, lack of childcare options, and lack of shelter for homeless. An emphasis on workforce development, access to quality childcare, microenterprise assistance, homeowner rehab and down payment assistance helps to meet these goals and needs and are consistent with Council goals, the Consolidated Plan, and the Growing Opportunities Report.
- 2. Confirm Priority Neighborhood** - Last year, Council designated Ridge Street as the Priority Neighborhood for FY 20-21 and approved Ridge Street as the Priority

Neighborhood for the upcoming 3-year cycle with funds being targeted in income eligible service areas. Historically, Priority Neighborhoods receive three fiscal years of funding.

Council normally names only one Priority Neighborhood at a time. In order to ensure plenty of time for citizen engagement and coordination with the various City committees, staff will need to confirm if Council would like to move forward with the previously designated Priority Neighborhood, choose to not designate a Priority Neighborhood, or change the Priority Neighborhood.

Here is a summary of the past activity funding by neighborhood:

- Ridge Street Traffic Calming Signage (Underway)
- Ridge Street 6th St SE Sidewalk Improvement (Underway)
- 10th and page Neighborhood Park Improvement
- 10th and Page Pedestrian Improvements at 10th st and West St
- Belmont Franklin Street Sidewalk (Underway)
- Fifeville Pedestrian Safety Project and 5th St SW and Cherry Ave

During the December 21, 2020 and February 16, 2021 Council meetings, the Ridge Street Priority Neighborhood and Belmont Priority Neighborhood Budgets were amended to assist the City's CDBG program remain within HUD 24 CFR 570.902(a) timeliness and allow for final completion work at the 10th and Page neighborhood park. As a result, Council passed the resolution to appropriate funds back to the Ridge Street budget totaling \$116,053.17 for FY2022-2023. Staff recommends also re-allocating funds back to the Belmont Priority Neighborhood budget for FY2022-2023 to finalize completion of the Belmont Franklin Street Sidewalk project.

- 3. Administration and Planning** – This amount is capped by HUD at 20% of the total CDBG budget. The current budget for admin and planning is \$86,694.20. Once the City accepts the CDBG and HOME funding, the staffing, grant program reporting, and community engagement requirements are supported with admin and planning dollars as mandated by HUD.
- 4. Additional Guidelines** - Any other guidelines or directions Council may wish to give in determining how CDBG and HOME funds should be spent.

Community Engagement:

The CDBG Task Force will meet over the winter to review HOME projects proposals and make recommendations for funding to Council in Spring 2022. A Ridge Street Task Force was formed to make recommendations that could use all funding available for the Ridge Street Priority Neighborhood Budget. A Belmont Priority Neighborhood Taskforce was formed and City Council approved the Franklin Street Sidewalk Project in 2018.

Notice of the public hearing for the initial recommendations and notice of a public comment period for the CAPER was advertised in the newspaper on August 17, 2021. The public comment period for the CAPER is open from August 17 to September 15, 2021. The Thomas

Jefferson Planning District Commission held a virtual public hearing on September 2, 2021. City Council held a virtual public hearing on September 20, 2021.

Alignment with City Council's Vision and Strategic Plan

This agenda item aligns directly with Council's vision for Charlottesville to have **Economic Sustainability, Quality Housing Opportunities for All, and A Connected Community**. Projects also have the potential to many of the objectives and goals listed in the City's Strategic Plan: An Inclusive Community of Self-sufficient Residents, A Beautiful and Sustainable Natural and Built Environment, A Strong, Creative and Diversified Economy, and a Healthy and Safe Community.

Budgetary Impact:

HOME funds will require a 25% local match. In previous years, this match came from the Charlottesville Affordable Housing Fund CP-0084. There is no impact to the general fund regarding CDBG funds.

Recommendations:

Staff Recommends:

- Council move forward with priorities similar to the priorities outlined last year.
- Council approve the 20% maximum allocation allowed for Admin and Planning.
- Public Service funds remain citywide, Non-profit partners are made aware of the Strategic Investment Area and encouraged to recruit beneficiaries from that area.
- For HOME funds, if there is any program income or reprogramming available, those funds go towards housing activities to support down payment assistance and homeowner rehab.

Alternatives:

Alternatives include funding the Priority Neighborhood, Economic Development, Public Service, and Housing programs at different percentages or restricting beneficiaries to specific areas of the City. Specifically, Council could choose to fund the Priority Neighborhood at an amount different than the recommended \$150,000.

Attachments:

Proposed Budget

Resolution

Current Budget

Eligible CDBG and HOME Activities – click [here](#) to view list

CDBG Priority Neighborhoods Map – click [here](#) to view map

Draft CAPER FY2020-2021 – click [here](#) to view draft

Proposed Estimated FY 22-23 CDBG & HOME Budget

	FY 22-23 Funding
Ridge St Priority Neighborhood	\$150,000 (or remaining entitlement available)
Belmont Franklin St Sidewalk Repayment	\$244,950.82
Ridge ST Priority Neighborhood Repayment	\$116,053.17
Admin/Planning	20% Entitlement
CDBG Entitlement (EN) Estimate	\$433,471
HOME Entitlement (plus match)	\$105,721.10
Program Income and Reprogramming	\$20,000

Note: As proposed, if CDBG funds are decreased, Priority Neighborhood funding would be decreased. The exact entitlement award will not be known until later into 2022. Also, there is no way to predict how much program income will be received during the fiscal year; \$20,000 is a conservative estimate based on prior years.

RESOLUTION
Setting City Council Priorities for Community Development Block Grant and HOME Investment Partnership funds for FY 2022-2023

WHEREAS, the City of Charlottesville is a U.S. Department of Housing and Urban Development (HUD) Entitlement Community for the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs and as such expects to receive an award of funding July 1, 2022; and

WHEREAS, in accordance with the City of Charlottesville’s Citizen Participation Plan for HUD funding, the CDBG Task Force composed of citizen and community representatives will need to review potential projects and make recommendations for funding in Spring 2022;

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that the priorities and spending allowances for FY 2022-2023 shall be as follows:

- Council’s priorities for the CDBG and HOME program for FY 22-23 shall be access to affordable housing (including but not limited to low income housing redevelopment), workforce development (including but not limited to efforts to bolster Section 3 training opportunities and partnerships with the City’s GO programs), microenterprise assistance, access to quality childcare, homeowner rehabilitation, and down payment assistance.
- For FY 22-23, \$244,950.82 CDBG entitlement shall be set aside for Belmont Priority Neighborhood Franklin Street Sidewalk.
- For FY 22-23, the Priority Neighborhood shall be Ridge Street and the allocation shall be \$150,000 of the total CDBG entitlement. If the CDBG entitlement received is less than the estimate amount of \$150,000 this amount will be decreased accordingly.
- The CDBG Admin and Planning budget shall be set at 20% of the total CDBG entitlement.

Approved by Council
September 20, 2021

Kyna Thomas, CMC
Clerk of Council

2021-2022 CDBG and HOME BUDGET ALLOCATIONS
RECOMMENDED BY CDBG/HOME TASK FORCE and SAT: 11/12/2020
RECOMMENDED BY PLANNING COMMISSION: 12/8/2020
APPROVED BY CITY COUNCIL: 1/19/2021
HUD CORRECTION: 5/13/2021
REVISED BUDGET:

A.	PRIORITY NEIGHBORHOOD		
	A. Ridge Street Priority Neighborhood		\$161,283.20*
B.	ECONOMIC DEVELOPMENT PROJECTS		
	A. Community Investment Collaborative – Financial Management Program		\$32,056.28
	B. Local Energy Alliance Program – Workforce Development		\$29,238.00
	ECONOMIC DEVELOPMENT TOTAL:		\$61,294.28
C.	PUBLIC SERVICE PROJECTS		
	A. Public Housing Association of Residents – Resident Involved Redevelopment		\$34,000.00
	B. Literacy Volunteers – Workforce Development Tutoring		\$25,000.00
	SOCIAL PROGRAMS TOTAL:		\$59,000.00 (15% EN)
D.	HOUSING PROJECTS		
	A. Local Energy Alliance Program – Assisted Home Performance		\$65,199.32
	HOUSING PROGRAMS TOTAL:		\$65,199.32
E.	ADMINISTRATION AND PLANNING:		
	A. Admin and Planning		\$86,694.20 (20% EN)
		GRAND TOTAL:	\$433,471
	ESTIMATED NEW ENTITLEMENT AMOUNT:		\$433,471

* Funding includes reprogrammed funds

2021-2022 HOME BUDGET ALLOCATIONS

A.	AHIP – Homeowner Rehab		\$37,352.00*
B.	Habitat for Humanity – Down Payment Assistance		\$24,000.00*
C.	LEAP – Assisted Home Performance		\$23,224.88*
		TOTAL:	\$84,576.88
		ENTITLEMENT AMOUNT:	\$84,576.88
		ESTIMATED EN AVAILABLE AFTER PI APPLIED:	\$0.00
		LOCAL MATCH:	\$21,144.22

* Includes estimated EN available after program income applied