

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



Agenda Date:	June 21, 2022
Action Required:	Approval of two Resolutions
Presenter:	Erin Atak, Grants Coordinator
Staff Contacts:	Erin Atak, Grants Coordinator Alexander Ikefuna, Interim Director Office of Community Solutions
Title:	2022-2023 CDBG and HOME Budget Amendment

Background:

In Fall 2021 the City of Charlottesville advertised a request for proposals (RFP) for an estimated \$433,471 Community Development Block Grant (CDBG) dollars and estimated \$84,576.88 HOME Investment Partnerships Program (HOME) dollars based on priorities set by City Council on September 20, 2021. The City received three applications (requests totaling \$226,071) categorized as affordable housing projects; three applications (requests totaling \$111,807.00) categorized as public service projects; and two applications (requests totaling \$55,130) categorized as economic development projects.

All applications were reviewed by the CDBG/HOME Taskforce in February and March 2022. On April 12, 2022, the Planning Commission reviewed the recommended budget, conducted a joint public hearing with the City Council, and approved the recommendation. On June 6, 2022, the City Council voted to approve the 2022 – 2023 CDBG and HOME budget as recommended by the Planning Commission.

On May 31, 2022, the U.S. Department of Housing and Urban Development (HUD) issued the City of Charlottesville an official CDBG and HOME entitlement award under Public Law 116-260. The City's CDBG award is \$414,907 (down \$18,564 or 4.28%) from previous estimate of \$433,471; and the HOME award is \$93,478.13, up (\$8,901.25 or 10.5%) from previous estimate of \$84,576.88. This agenda item includes a minor budget amendment for the CDBG and HOME funds to be received by the City of Charlottesville from HUD.

Discussion:

During the fall 2021 RFP application period, HUD did not confirm the entitlement amount. Rather, HUD recommended to City Council that all CDBG and HOME project recommendations get increased/reduced at the same pro-rated percentage of the actual entitlement award. If the total actual award amount received by HUD differed from the appropriated amount, all appropriated amounts may be administratively increased/decreased at the same pro-rated percentage of change between the estimated entitlement award and the actual entitlement award. The total appropriated amount will not exceed 2.5% total change, nor will any agency or program increase more than

their initial funding request without further action from City Council.

HUD awarded the City of Charlottesville an entitlement amount of \$414,907 CDBG dollars, and \$93,478.13 HOME funds on May 31, 2022. A minor correction is needed for the FY2022-2023 CDBG and HOME budget requiring City Council approval.

It is important to note that no additional funds will be awarded to subrecipients who have received full funding request for both CDBG and HOME. Likewise, note that no additional funding will be awarded to subrecipients with open account balances in the FY2021-2022 CDBG and HOME program due to the City's second timeliness sanction issued January 2021.

On January 14, 2021, the City of Charlottesville was found to be noncompliant for the second consecutive year with the CDBG and HOME timely expenditure requirements. HUD has noted that the City's lack of timely performance as a deficiency. Current program subrecipients for fiscal year 2020-2021 are urged to complete all CDBG and HOME spending prior to re-applying/receiving additional funding as a written HUD best practice, [*Ensuring CDBG Timeliness*](#).

Community Engagement:

A request for proposals was held for housing, economic development, public facilities, and public service programs between November 2021 and March 2022. Applications received were reviewed by the CDBG/HOME Taskforce.

A notice of the April 12, 2022 joint Planning Commission-City Council Public Hearing was published in the Daily Progress for a 15-day public comment period on March 22, 2022. The public was also given the opportunity to voice their opinions during the 30-day public comment period published on March 30, 2022, and at the Thomas Jefferson Planning District Commission Public Hearing on May 5, 2022.

The Planning Commission reviewed the recommended budget and conducted a joint public hearing with the City Council on April 12, 2022 and recommended the budget to the City Council for approval. On June 6, 2022, the City Council approved the 2022 – 2023 CDBG and HOME budget as recommended by the Planning Commission.

Alignment with City Council's Vision and Strategic Plan:

Approval of this agenda item aligns directly with Council's vision for Charlottesville to have **Economic Sustainability, A Center for Lifelong Learning, Quality Housing Opportunities for All, and A Connected Community**. It contributes to a variety of Strategic Plan Goals and Objectives including: Goal 1: Inclusive, Self-sufficient Community; Goal 3: Beautiful Environment; Goal 4: Strong, Diversified Economy; and Goal 5: Responsive Organization.

Budgetary Impact:

Proposed CDBG projects will be carried out using only the funds to be received by the City of Charlottesville from the U.S. Department of Housing and Urban Development (HUD) for the City's CDBG program. The HOME program requires the City to provide a 25% match (HOME match equals ¼ of the Entitlement amount). The sum necessary to meet the FY 2022-2023 match is \$23,369.53, which will be appropriated out of the Charlottesville Housing Fund (CP-0084).

Recommendation:

Staff recommends approval of the 2022 – 2023 CDBG and HOME minor budget amendments. Funds included in this budget will not be spent until after July 1, 2022.

Alternatives:

No alternatives are proposed.

Attachments:

Resolution for CDBG funds Amendment
Resolution for HOME funds Amendment

**RESOLUTION
AMENDING HOME INVESTMENT PARTNERSHIPS PROGRAM ACCOUNTS
FY 2022-2023**

WHEREAS, Council has previously approved the appropriation of certain sums of federal grant receipts to specific accounts in the HOME Investment Partnerships Program (HOME) funds on June 6, 2022; and

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that appropriations made to the following expenditure accounts in the HOME fund are hereby reduced or increased by the respective amounts shown, and the balance accumulated in the Fund as a result of these adjustments is hereby appropriated to the respective accounts shown as follows:

Fund	Account Code	Purpose	Proposed Revised Reduction	Proposed Revised Addition	Proposed Revised Appropriation
210	1900463	HOME Match		\$2,225.31	\$23,369.53
210	1900463	LEAP Assisted Home Performance		\$8,901.25	\$93,478.13
		TOTALS:			

**RESOLUTION
AMENDING COMMUNITY DEVELOPMENT BLOCK GRANT ACCOUNTS
FY 2022-2023**

WHEREAS, Council has previously approved the appropriation of certain sums of federal grant receipts to specific accounts in the Community Development Block Grant (CDBG) funds on June 6, 2022; and

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia that appropriations made to the following expenditure accounts in the CDBG fund are hereby reduced or increased by the respective amounts shown, and the balance accumulated in the Fund as a result of these adjustments is hereby appropriated to the respective accounts shown as follows:

Fund	Account Code	Purpose	Proposed Revised Reduction	Proposed Revised Addition	Proposed Revised Appropriation
218	1900464	Ridge ST Priority Neighborhood	\$7,981.82		\$178,394.34
218	1900465	CIC Microenterprise Scholarships	\$1,070.66		\$23,929.34
218	1900466	LEAP Workforce Development	\$1,290.36		\$28,839.64
218	1900467	PHAR Resident Involved Redevelopment	\$1,606.42		\$35,903.90
218	1900468	LVCA Workforce Tutoring	\$1,178.17		\$26,332.15
218	1900469	LEAP Solar Maintenance	\$1,723.77		\$38,526.23
218	3914001000	Administrative and Planning	\$3,712.80		\$82,981.40
		TOTALS:			\$414,907