

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA



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| Agenda Date: | June 5, 2023 |
| Action Required: | Approve Resolution |
| Presenter: | Alexander Ikefuna, Director of Community Solutions, Samuel Sanders, Jr., Deputy City Manager |
| Staff Contacts: | Samuel Sanders, Jr., Deputy City Manager Alexander Ikefuna, Director of Community Solutions John Sales |
| Title: | Appropriating Charlottesville Supplemental Rental Assistance program (CSRAP) funding (FY23) for use in acquisition of property - \$137,500 (1 of 2 readings) |

Background

Council provides \$900,000 per year for the Charlottesville Supplemental Rental Assistance Program (CSRAP). There was a surplus in FY22 that produced a balance of \$1.9 million this fiscal year. CRHA projects the current monthly rental subsidy requires \$50,000 per month. That figure annualized is \$550,000 through June 2023. Based on this projection, the CSRAP account is sufficient to cover the request for \$137,500 to acquire 100 Harris Road without any additional funding needed from the city.

This is a continuation of Council's desire to acquire units of naturally occurring affordable housing that will not remain if placed on the market. The loss of a long-term affordable unit is the priority for pursuing this purchase.

Discussion

CRHA has an opportunity to acquire a single family unit of naturally occurring affordable housing that is being prepared to be placed on the market and will likely no longer be affordable after purchase. CRHA is requesting the city permit the use of \$137,500 from the FY23 CSRAP appropriation be re-appropriated to be used for acquisition of 100 Harris Road. Currently, the unit is occupied by a tenant of more than 20 years with a rent of \$750 per month. A sale and conversion to market rate will lead to displacement of an elderly resident.

Property information:

100 Harris Road
Assessed Value: \$369,000/Expected Sales Price: \$275,000
Single-Family Home/3 Bedrooms/2 bath
Currently renting for: \$750/month
Market: \$1200-1800/month

This unit will be added to the City Housing Portfolio being managed by CRHA, along with the previously acquired Coleman, Montrose, and the soon to be added to the Dogwood Properties Portfolio. This transaction would also be the only remaining transaction using currently available CSRAP funding. Any additional consideration of reuse of CSRAP funding would need to be determined by the Council as a revision to the annual appropriation of \$900,000 which is deemed in excess of what is needed to support the annual program.

Alignment with City Council's Vision and Strategic Plan

Affordable Housing Plan Guiding principles: Racial equity, regional collaboration and comprehensive approach,

Comprehensive Plan Guiding Principles

- Equity & Opportunity – All people will be able to thrive in Charlottesville.
- Community Culture and Unity – Charlottesville’s rich and diverse culture and form will be celebrated, and the entire community will feel welcomed, valued and respected.

Strategic Plan (2018-2020) Goals: Goal 1.3 to increase affordable housing options, Goal 1.5 to intentionally address issues of race and equity; and Goal 5.4 to foster effective community engagement.

Community Engagement

There have been several community engagement meetings and activities conducted as part of the comprehensive plan update and affordable housing planning process. City staff have also been engaged with CRHA on a regular basis regarding redevelopment activities, including exploring proactive ways to spur affordable housing; one of which is this proposal to acquire 100 Harris Road for sustainable and permanent affordable housing.

Budgetary Impact

The requested \$137,500 has been approved within the City Council's FY23 Budget for use by CRHA in the CSRAP Program. The attached Resolution would allow the FY23 budgeted CSRAP funding to be reduced by \$137,500 and allow that same amount of money to be transferred to CRHA for use in the acquisition of a single family unit at 100 Harris Road.

Recommendation

The City Manager and staff recommend that the City Council approve the proposed request to use part of CSRAP fund for the acquisition of 100 Harris Road by CRHA, to be deed-restricted permanently, as units of affordable housing.

Recommended motion: *“I move the RESOLUTION appropriating \$137,500 of the FY2023 CSRAP budget allocation to be used by CRHA for the acquisition of 100 Harris Road as permanent units of affordable housing.*

Alternatives

Council may elect not to approve the recommendations, which would forego the opportunity to ensure that these four currently-affordable units of rental housing could be permanently dedicated as units of affordable housing.

Attachments

1. Resolution Reallocating CSRAP Funds-Harris