

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



Agenda Date:	August 21, 2023
Action Required:	Approval of the PY 2023-2024 HOME-ARP Action Plan & Associated Funding Appropriations, in the Amount of Approximately \$347,404
Presenter:	Anthony Warn, Grants Analyst, Alexander Ikefuna, Director of Community Solutions
Staff Contacts:	Anthony Warn, Grants Analyst Taylor Harvey-Ryan, Grants Program Manager
Title:	Resolution to approve HOME-ARP FY 2023-2024 Action Plan and appropriate funds of approximately \$347,404 (1 of 2 readings)

Background

The City of Charlottesville is designated by the U.S. Department of Housing & Urban Development (HUD) as an ‘Entitlement Community’ and as such participates in the HOME Investment Partnerships program. Charlottesville is a participating member of the Thomas Jefferson Area HOME Consortium, in partnership with five neighboring counties: Albemarle, Fluvanna, Greene, Louisa & Nelson. This Consortium is managed through a Cooperation Agreement with the Thomas Jefferson Planning District Commission (TJPDC) whose staff coordinate HOME activities across the six Consortium localities.

Charlottesville has recently been notified by HUD of the availability of approximately \$2,452,270 through HUD’s implementation of the America Rescue Plan, commonly referred to as HOME-ARP. As per the Consortium’s Cooperation Agreement, all six Consortium members receive an equal share of the available funds, less administration & planning funds to TJPDC. Council reviewed and approved the Consortium’s HOME-ARP Allocation plan at a public hearing on January 3, 2023. HUD gave formal approval to the Allocation Plan on February 23, 2023, with funds distributed to the Consortium members as follows:

Participating Jurisdictions	HOME-ARP Allocation
City of Charlottesville	\$347,404.92
Albemarle County	\$347,404.92
Fluvanna County	\$347,404.92
Green County	\$347,404.92
Louisa County	\$347,404.92
Nelson County	\$347,404.92
Program Planning/Administration (TJPDC @ 15%)	\$367,840.50
Total HUD Allocated HOME Fund	\$2,452,270.02

Based on multiple community needs assessments, most recently conducted as part of the Consortium's 5-Year Consolidated Plan, the Consortium decided to devote 100% of their HOME-ARP program funds to support programs that will acquire, rehabilitate, or construct rental housing within the Charlottesville City limits that are affordable to individuals and households with incomes at or below 60% of Charlottesville's Area Median Income (AMI), or \$55,500 for a household of four persons in 2023.

Consistent with past practices for HUD-funded programs, staff planned and implemented a competitive application process. All prospective applicants were required to attend a pre-application workshop, during which HUD and City goals and requirements were discussed in detail. The city's CDBG/HOME Taskforce was convened in July of 2023 to review all received requests for funding in line with established review criteria. Based on a careful review and consideration of each application, and with the goal of maximizing the impact of the limited funds available, the Taskforce put forth the funding recommendations detailed below.

Discussion

In 2022, HUD published its Final Implementation Notice for its HOME-ARP program. This Notice established a number of requirements that differentiate HOME-ARP from previous HOME rounds of funding, notably:

1. HUD established a set of Qualifying Populations intended to be the primary beneficiaries of funded programs: persons experiencing or at risk of experiencing homelessness; persons fleeing or attempting to flee domestic and/or dating violence, sexual assault, stalking, and/or human trafficking; and/or veterans and families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above
2. Lengthy affordability periods: 15 years for acquisition and/or rehabilitation activities; or 20 years for new construction activities
3. Eliminating minimum investments of HUD funds to trigger the required affordability period, meaning that any investment of HOME-ARP funds will trigger the affordability period for covered units

With these goals in mind, staff designated three primary activities to be considered for funding:

1. Acquisition of existing units to be maintained as affordable
2. Rehabilitation of existing units to be maintained as affordable
3. Construction of new units to be maintained

After a public Request for Funding Proposals period, the city received four (4) HOME-ARP applications were received with a combined funding request of up to \$1,109,575.76. (Note: The majority of the initial registrants for the pre-application workshop were not developers but were instead individuals seeking direct rental assistance and/or other rental supports.)

Taskforce members carefully evaluated each application in light of the anticipated benefits to households at or below 60% of the local AMI. Consistent with the goal of maximizing the impact of the limited funds available during this round, the Taskforce also gave additional consideration in their

discussions to applications that were able to demonstrate an ability to leverage their funding award with funds from other sources.

Based on their analysis, the Taskforce proposes the following funding award(s):

Applicant	Program	Recommended Award
Community Services Housing, Inc.	Continued Rehabilitation Repairs to Preserve CSH Affordable Rental Housing	\$67,361.00
Piedmont Housing Alliance	1025 Park Street Redevelopment	\$280,043.92

Alignment with City Council's Vision and Strategic Plan

By working to preserve and expand affordable rental housing opportunities, this agenda item aligns directly with Council's vision for Charlottesville as a community that supports a local housing market that is healthy, high quality, affordable, and above all, equitable and that fosters community well-being and a high quality of life for all of its residents.

Community Engagement

The city's PY 2023-2024 HOME-ARP Action Plan has been developed based on the results of a comprehensive needs assessment conducted as part of the Thomas Jefferson Area HOME Consortium's 5-Year Consolidated Plan, as approved by Council on May 1, 2023, and has been informed by a public comment period and the diligent work of the city's CDBG/HOME Taskforce.

Additionally, the City of Charlottesville Planning Commission reviewed the Action Plan presented here at a joint public hearing with City Council on Tuesday, August 8th, 2023, and gave their approval by a recorded vote to forward these funding recommendations to City Council for further consideration without conditions.

Budgetary Impact

Approval of the HOME-ARP Action Plan will generate a net benefit to the city of approximately \$347,000 for affordable housing activities, funding that would otherwise not be available for investment. In addition, HUD has waived local match requirements for the HOME-ARP program, so no additional impacts to the City budget are anticipated.

Recommendation

Staff recommends that Council approves the PY 2023-2024 HOME-ARP Action Plan as presented before Council and the associated appropriation of funds.

Suggested motion:

"I move to APPROVE the FY 2023-2024 HOME-ARP Action Plan as presented before City Council and the associated appropriation of funds."

Alternatives

Given that the proposed funds to be awarded are from federal sources and that disapproval of the HOME-ARP Action Plan will deny the city the opportunity to invest local HOME-ARP funds to support affordable rental opportunities, no alternatives were considered or are presented.

Attachments

1. HOME-ARP FY23 Pre-Application Workshop 2023-06-22 Slides
2. Council FY23 HOME-ARP Funding Recs to Council 2023-08-21 (2)
3. Council FY23 HOME-ARP Resolution of Appropriation 2023-08-21 (2)
4. Resolution Approving FY 2023-2024 HOME-America Rescue Plan Action Plan in the Amount of Approximately \$347,404