

CITY OF CHARLOTTESVILLE, VIRGINIA

CITY COUNCIL AGENDA



Agenda Date:	January 19, 2016
Action Required:	Presentation of Report
Presenter:	Kathy McHugh, Housing Development Specialist
Staff Contacts:	Kathy McHugh, Housing Development Specialist
Title:	Housing Report

Background:

The charge given to the Housing Advisory Committee (HAC) requires that this group prepare a report on affordable housing efforts.

Discussion:

The attached report has been prepared to provide: 1) an overview of existing housing programs, 2) an update on the status of the 2025 Goals for Affordable Housing Report, 3) an analysis of the 2025 goal as well as challenges to meeting the goal, 4) overview of affordable housing investments and efforts, and 5) opportunities for future efforts.

Alignment with City Council's Vision and and Strategic Plan:

Approval of this agenda item aligns with Council's vision for Charlottesville to "provide quality housing opportunities for all". This item also is also aligned with goal number one (objective 1.3) of the strategic plan to "increase affordable housing options".

Community Engagement:

This report is a required element of the Housing Advisory Committee (HAC) charge. While the HAC has not actively participated in the writing/development of the report, the report is reflective of the activities and policy discussions of the group.

Budgetary Impact: None, this is a status report only.

Recommendation: Not applicable

Charlottesville Housing Report for Council - January 19, 2016

Introduction/Overview

The following report is required by the charge to the City's Housing Advisory Committee (HAC). This document has been prepared to provide: 1) an overview of various City housing programs, 2) an update on the status of the 2025 Goals for Affordable Housing Report, 3) an analysis of the 2025 goal as well as challenges to meeting the goal, 4) overview of affordable housing investments and efforts, and 5) opportunities for future efforts. Information contained herein is provided as a basis for evaluating current affordable housing efforts and to inform policy and funding decisions for the future.

Overview of Existing Housing Programs

The City of Charlottesville has a variety of existing programs that are geared toward encouraging investment in affordable housing efforts as well as providing direct assistance to homeowners in the form of tax relief/deferral and rent relief for elderly/permanently disabled tenants.

City sponsored programs include the Capital Improvement Program (CIP) funded **Charlottesville Affordable Housing Fund (CAHF)**, as well as Federal programs, such as the **Community Development Block Grant (CDBG)** and **HOME** programs. These funding sources provide direct financial assistance for affordable housing efforts through non-profit partners, with an emphasis on support for construction of new units, housing preservation, and provision of down payment assistance to increase and/or maintain existing supported affordable housing units. CDBG funds can be used to support certain housing activities, but in recent years the City has primarily used these funds to support social programs for low to moderate-income persons as well as limited economic development efforts and targeted neighborhood infrastructure improvements.

In addition, the City also provides assistance directly to homeowners. Specifically, the Charlottesville Housing Affordability Program (**CHAP**) provides for an annual property tax grant (of either \$375 or \$525 during the second half) to qualified owners whose income level (\$50,000 maximum) and assessed property value (\$365,000 and no other real property ownership) do not exceed specified levels. The elderly/permanently disabled cannot utilize CHAP; however, they are eligible to apply separately under **Real Estate Tax Relief for the Elderly or Permanently Disabled** (§30-96). This program examines income, age/disability, and net worth and the amount of relief is dependent upon combined income and net worth (i.e., must be 65 years of age or older, or permanently disabled, and have a yearly income of \$50,000 or less and a net worth of \$125,000 or less). The **Disabled Veterans Real Estate Tax Exemption** also provides for tax exemption provided that the property is owned or jointly owned (with a spouse) by the veteran. It must also be occupied by the veteran as their primary place of residence and the veteran must have a service-connected, permanent / total disability as determined by the U.S. Department of Veterans Affairs. The surviving spouse of an eligible veteran may also qualify, provided the death of the veteran occurs after January 1, 2011, the surviving spouse does not remarry, and the surviving spouse continues to occupy the real estate as his/her primary place of residence.

Tax exemptions are also provided to those that make improvements to their homes. The **Tax Exemptions for Housing Improvements** (§30-155 - §20-160) program provides up to seven years of tax relief on the value of improvements, if such are made to a property 25 years or older with an existing value of less than \$516,200. Improvements must increase the value of the home by at least 15%. Homeowners can also qualify for a one year **Special Tax Rate for Certain Energy-Efficient Buildings** (§30-160.1 – §30-160.11) when they make improvements that exceed the energy efficiency standards prescribed in the Virginia Uniform Statewide Building Code by 30% or any building that (i) meets or exceeds performance standards of the Green Globes Green Building Rating System of the Green Building Initiative, (ii) meets or exceeds performance standards of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System of the U.S. Green Building Council, (iii) meets or exceeds performance standards or guidelines under the Earth Craft House Program, or (iv) is an Energy Star qualified home, the energy efficiency of which meets or exceeds performance guidelines for energy efficiency under the Energy Star program developed by the United States Environmental Protection Agency. Related to this, City Code also provides a **Solar Energy Tax Exemption** (§30-126 – §30-138) for qualified solar facilities and devices.

The **Rent Relief Program for the Elderly or Permanently Disabled** (§30-96 and §25-56) provides grant funding for rental assistance to qualified tenants, based on income, age/disability, and net worth (i.e., must be 65 years of age or older, or permanently disabled, and have a yearly income of \$50,000 or less and a net worth of \$125,000 or less).

The **Reduced Water and Sewer Connection Fees** (§31-102; §31-106.1) lowers the cost of these utility connections when the house is being built either for sale or rent as affordable to families at 80% Area Median Income (AMI) or less. The amount of the reduction is based on the size of the water meter; however, reduced connection fees are available to support single family as well as multi-family residential projects that are built as affordable.

The **Assisted Home Performance with Energy Star** program is offered to City residents through the Local Energy Alliance Program (LEAP). This initiative provides home energy audits and energy retrofits for income qualified homeowners. LEAP works exclusively with the Albemarle Home Improvement Program (AHIP) to provide retrofits.

Expedited Permitting for affordable housing is provided through the Affordable Dwelling Unit ordinance at §34-12(f) upon approval of a rezoning or special use permit. In these cases, site plans submitted for review shall be acted upon by the director of Neighborhood Development Services or Planning Commission within twenty-one (21) days after the date such plan was officially submitted. Also, as provided at §34-823(a), in the case of a preliminary site plan application which guarantees that at least fifteen (15) percent of all proposed residential units therein will qualify as affordable housing (defined as units committed for a thirty-year term as affordable to households with incomes at eighty (80) percent or less of the area median income), the timeframe shall be reduced to twenty-one (21) days.

Lastly, through its **Free Paint Program**, the City provides paint, primer, caulk, and painting supplies to income qualified City homeowners (i.e., those at 80% AMI or less) who can least afford to purchase such items to maintain the exterior of their homes. Eligibility is limited to every 5 years. Since the homeowner must provide labor to do the work, various non-profits have been involved with assisting some homeowners; however, there is no formal structure in place to link owners with volunteer painting services. AHIP also uses this program to connect owners with painting supplies, since City rehabilitation funding is reserved for more basic health and safety issues.

The above programs can be used in concert as long as eligibility requirements are met for each.

Most all of these programs have income and/or age/disabled status limitations that correlate to the **Area Median Income (AMI)** figures for the current year, as published by the United States Department of Housing and Urban Development (HUD). The most recent figures (as of 3/6/15) are as follows:

% of AMI	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
30%	\$17,700	\$20,200	\$22,750	\$25,250	\$28,410	\$32,570	\$36,730	\$40,890
50%	\$29,450	\$33,650	\$37,850	\$42,050	\$45,450	\$48,800	\$52,150	\$55,550
60%	\$35,340	\$40,380	\$45,420	\$50,460	\$54,540	\$58,560	\$62,580	\$66,660
80%	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,600	\$86,900

These figures are based on the estimated Median Family Income for Charlottesville which is \$84,100.

Update on the Status of the 2025 Goals for Affordable Housing Report

The overarching housing goal for the City, as adopted by City Council on February 1, 2010 (per the City of Charlottesville 2025 Goals for Affordable Housing Report recommendation), is to:

Increase the ratio of supported affordable units to 15% of total housing units by 2025.

Supported affordable units (SAUs) are defined by Housing Policy #1 adopted by City Council on October 20, 2014 as: “A housing unit that achieves one or more **Levels of Affordability**¹ using various sources of public funding and mechanisms including, but not limited to: HUD, VHDA, the City of Charlottesville, Housing Choice Vouchers (Section 8), and/or deed restrictions. SAUs can be rental properties or owner-occupied dwellings. **Levels of Affordability** can be achieved through multiple mechanisms, such as **People-Based Financial Supports**², **Project-Based Financial Supports**³ and **Project-Based**

¹ **Levels of Affordability:** Tiers of Affordable Housing defined in terms of AMI. Families earning: between 120 and 80 percent AMI are considered “moderate-income”; between 80 and 50 percent AMI, “low-income”; between 50 and 30 percent AMI, “very low-income” and below 30 percent AMI, “extremely low-income.”

² **People-Based Financial Supports:** Funds provided to **Recipients** for use by income qualified beneficiaries that allow them to secure a Supported Affordable Unit (e.g., Housing Choice Vouchers or down payment/mortgage assistance).

³ **Project-Based Financial Supports:** Funds provided to **Recipients** that produce or rehabilitate a **Supported Affordable Unit** at a specific location to achieve **Levels of Affordability** (e.g., Low Income Housing Tax Credit projects, Project Based Vouchers and land trusts).

Legal Supports⁴, which can be combined.”

The 2025 report initially reported 10.5% supported affordable housing at the time of preparation; however, the reporting methodology was based on point-in-time guesstimates rather than firm numbers. Since the adoption of the original report, the City has attempted to refine these numbers through its P3 effort and by creating an affordable housing database. The following provides a list of previous reports for the 2025 goal, along with an explanation of how the information was obtained / calculated. Note that comparison of these numbers is not advisable due to the variations in methodology used.

Current housing goal information is based on use of the City’s Master Address Table (MAT) and Supported Affordable Housing Database. Moving forward, we hope to continue to use both of these resources as the basis for tracking housing units. While the MAT needs refinement (see note #4 below table), staff believes that this information will only become more reliable over time and that this will provide a better measure of housing units than tax assessor data which: 1) does not reflect the number of units in a mixed use building, 2) assumes the maximum number of units for the use code, 3) does not account for multiple buildings on one parcel, and 4) requires apartments and mobile homes to be tracked separately. As all of these variables must be tracked independent of tax assessor data, there is a much greater chance of introducing error than by using the MAT.

Year/Source	# of Supported Affordable Units	Total Number of Housing Units	% Supported Affordable Units
February 2010 (2025 Goals for Affordable Housing Report) ¹	1,933 (includes 499 vouchers)	18,407	10.5%
March 2012 (Housing Report to City Council) ²	1,985 (includes 382 vouchers)	19,189	10.3%
Sept 2012 (Housing Advisory Committee Fall Newsletter) ³	2,050 (includes 386 vouchers)	19,794	10.3%
April 2014 (Housing Report to City Council) ⁴	2,021 (includes 413 vouchers)	19,626	10.29%
December 2015 (Housing Report to City Council) ⁵	2,006 (includes 393 vouchers)	19,937	10.06%

¹ Affordable units were based on point in time *guesstimate* of number of units by various non-profits as well as current information on housing vouchers, discounting the number of vouchers by 30% to avoid duplication of units that are already captured as supported affordable (e.g., use of a tenant based voucher at Monticello Vista). Total number of units was based on 2007 American Community Survey Data.

² Supported affordable units were based on adding new supported affordable units to the number of units used in the 2025 report. Updated information on housing vouchers was also incorporated. Total number of housing units was based on 2010 Census numbers.

³ Supported affordable units were identified in a City developed database for the first time. Every effort was made to include all sources of information including local housing non-profits and a loan database maintained by the City Attorney’s office that includes units assisted through City funded housing rehabilitation and down payment assistance programs. Information for HUD funded projects as well as the Low Income Housing Tax Credit developments was also utilized. Total units were locally calculated based on 15,115 single family homes listed in the tax assessor’s database, combined with 121 mobile homes and 4,558 apartment units (representing 282 apartment complexes). Voucher information was updated, discounting this number by 30% to avoid duplication, as had been done for both February 2010 and March 2012 figures.

⁴ **Project-Based Legal Supports:** Legal controls that limit the income of **Beneficiaries**, the amount of rent charged, or resale price of a home (e.g., deed restrictions, regulatory compliance/affordability period, liens, or other).

⁴ Supported affordable units were taken from the City's updated database, with every effort taken to eliminate duplications, correct errors and remove units that have expired for the purposes of the designated period of affordability. Voucher information was updated again, but this time City staff utilized a survey of local voucher holders to account for duplicated units. The results of this survey revealed that the actual percentage for duplicated units was 40% (270/683 vouchers) rather of 30% as previously assumed. Total number of housing units has been identified using the Master Address Table (MAT). It should be noted that at that time, the MAT also included 1,091 addresses that were not classified as residential, commercial or institution, corresponding to 342 building which are mostly concentrated in Downtown/North Downtown, the Corner, and two clusters in Belmont. All are either mixed use buildings or have ambiguous commercial use designations from which City staff cannot clearly infer the use type of the address. Accordingly, it should be noted that the number of housing units is likely higher, given that several of the unclassified buildings are known to be mixed use (with a residential component). NDS staff is aware of this issue and will continue to work to reduce the number of unknowns in the MAT to provide a more accurate count.

⁵ Supported affordable units were taken from the City's updated database. The database continues to be a work in progress, attempting to get up to date information from local non-profits who provide other supported affordable units without City financial assistance (e.g., Habitat for Humanity provides down payment and mortgage subsidies through the HUD Self Help Homeownership Program - SHOP and Piedmont Housing Alliance -PHA utilizes the VHDA Community Homeownership Revitalization Program - CHRP as well as Community Development Finance Institution - CDFI funding). The data continues to be refined with attention to removing units that have expired for the purposes of the designated period of affordability, have been paid off and/or deemed to be uncollectable for some reason. Voucher information was updated again, using the survey percentage for duplicated units of 40% as determined in 2014. Total number of housing units has been identified using the City's Master Address Table (MAT).

Analysis of the 2025 goal as well as Challenges to Meeting the Goal

In looking at these numbers, it should be noted that the City has not experienced any major reductions in affordable units since the 2025 report was completed. Specifically, affordable units including Charlottesville Redevelopment and Housing Authority (CRHA) properties, Friendship Court, Hearthwood and Greenstone on 5th (formerly Blue Ridge Commons) have all been maintained (as affordable) during this time period. At the same time, the City has added units at the Crossings at Fourth & Preston (Virginia Supportive Housing), Timberlake (JABA), Sunrise (Habitat for Humanity of Greater Charlottesville – Habitat), Belmont Cottages (Habitat), as well as increased supported affordable units through various down payment assistance program and scattered site housing rehab inclusive of the Block by Block program ongoing in the Tenth and Page Neighborhood (AHIP). Projects including affordable housing that are either under development or slated to start soon include a total of 89 new affordable units. These projects include, Burnett Commons Phase 2 – the Woods (on-going Southern Development mixed income development with 7 affordable units out of 48), Burnett Commons Phase 3 – the Park (on-going Habitat and Southern Development mixed income development with 20 affordable units out of 46), and Harmony Ridge at 991 5th Street S.W. (not yet started Habitat, Charlottesville Abundant Life Ministries and Piedmont Housing Alliance mixed income development with 8 affordable units out of 12 – 14 units) and Carlton Views (on-going Fountainhead Properties and Piedmont Housing Alliance 54 unit special needs/accessible Low Income Housing Tax Credit project).

As for the larger affordable properties that have continued to maintain their affordable units, only one of these properties has undergone any major work over the past few years. Specifically, Greenstone on 5th (formerly Blue Ridge Commons) upgraded all units and constructed a new community center which houses a leasing/management office and approximately 200 s.f. of resident services space for community programs. In addition to physical improvements, Community Housing Partners has also been working with the City to fund enhanced police coverage for this development to address safety and quality of life concerns identified by residents. In combination, these efforts have greatly improved this affordable housing property.

Our affordable housing goal is complicated by a number of factors including (but not limited to) the following:

- The original goal did not take the **lack of and expense of land** into consideration. The lack of availability of land (limited real estate) and the cost of existing land (high prices) are the most common obstacles denoted by the Housing Advisory Committee (HAC).

- The initial report assumed a very high percentage of leverage (91.6% other funds to 8.4% City funds). While these figures are possible with large scale low income housing tax credit projects and even down payment assistance projects, these figures are not possible with housing rehabilitation, rental subsidies and predevelopment projects that leverage much less or no funds in some cases. Accordingly, the **assumed leverage is thought to be artificially high** and this presumption negatively impacts the long range assumptions of the 2025 report and brings into question the proposed outcomes over the 15 year period.
- The current Comprehensive Plan supports incorporating affordable units throughout the City, and achieving a mixture of incomes and uses in as many areas of the City as possible. Although the City will continue to work toward its goal of 15% supported affordable housing by 2025, **integration of units throughout all geographical areas continues to be a challenge**. Prior proposed/funded Low Income Housing Tax Credit (LIHTC) projects have primarily been in areas that contain higher number/percentage of low income persons/households. It is unclear as to what role land availability plays (as sites are also available for market rate purchase and development); however, it should be noted that the Virginia Housing and Development Agency (VHDA), which administers the LIHTC program for the State of Virginia, provides a 30% boost in basis to applicants that choose to locate in a Qualified Census Tract (QCTs) or Difficult to Develop Area (DDAs) as well as 10 extra points for areas that qualify as meeting the VHDA revitalization area definition. The increase in basis is an Internal Revenue Service rule (as the IRS regulates this program) and not one that is controlled by VHDA; however, it certainly impacts decisions about where to locate such projects. As QCTs are already economically distressed (by definition)⁵, the location of additional affordable units would only further concentrate poverty in these areas and create additional challenges to integrating units throughout the City. While mixed income development and redevelopment can help with integration to some extent (by providing market rate units in conjunction with low income units), site constraints and financing are still factors that present logistical challenges.
- By emphasizing a numerical goal, it is **difficult not to further concentrate affordable units**, as larger projects provide the best opportunity to make significant gains toward achieving the goal. In fact, it will be logistically challenging, if not impossible (due to cost and other factors) to achieve 15% supported affordable units without including some larger scale projects. Given limited land (as noted above) and the location of available vacant parcels, the challenges in our City of only 10.4 square miles only intensify - as adaptive reuse, infill and redevelopment projects are generally more expensive and don't always provide the advantages of centralized maintenance and other economies of scale. This noted, infill and redevelopment projects also offer the opportunity to increase overall density (in some cases) which would offset the concentration aspects of the affordable units.
- The number of new supported affordable units (including new units, rehabbed units, down payment assistance, etc...) needs to be equal or greater than 15% of all new construction just to keep pace. Given the recent student housing construction boon, it will be **difficult to maintain current levels and catch up as new units come on line**.
- **Focusing strictly on development of supported affordable housing units rather than assisting people is delicate business** and should be evaluated in light of studies / efforts that have examined poverty and self-sufficiency issues. Housing needs can vary widely, as can ability to pay. Increasing physical stock and/or securing support through a financial mechanism is part of the solution, but not all of it. The City cannot reasonably be expected to totally build its way out of our affordable housing problem and we must look at the

⁵ A Qualified Census Tract (QCT) is a tract with a poverty rate of at least 25% or 50% or more of its households have incomes below 60% of area median income. In Charlottesville 2.01, 2.01 and 6.00 are currently QCTs. A Difficult Development Area (DDA) is an area designated by the HUD Secretary as an area that has high construction, land, and utility costs relative to the area median gross income. In the Charlottesville area, only zip code 22936 is considered a DDA; however, this is outside of the City limits.

situation more holistically, including continuing and possibly expanding efforts to support rental subsidies for rapid rehousing, permanent supportive housing and other efforts targeted at providing housing for low wealth individuals and families.

Overview of Affordable Housing Investments & Efforts

The following chart provides an overview of housing investments made to date through the Charlottesville Affordable Housing Fund. Since funds carry forward for future use, some fiscal years may show more funds awarded than appropriated; however, projects are shown in the fiscal year approved. Funded projects are broken down by year and include the number of assisted units associated with each effort, if known or applicable. Some projects such as administration related activities or planning/pre-development efforts do not show any units assisted, as these funds are supportive to providing actual units. On-going projects are subject to change based on total assisted units and final expenditures. Current fiscal year projects may not show any beneficiaries because those projects are just getting started in some cases. Lastly, **please note** that units assisted through the AHIP Emergency Repair Program as well as the City's paint program do not typically have an associated affordability mechanism, so these units **are not to be considered** as supported affordable units; however, to correctly reflect units assisted with City funding, these have been included below.

CHARLOTTESVILLE AFFORDABLE HOUSING FUND	Amount	Housing Units Assisted
2007/08		
Dogwood Housing purchase & preservation of affordable rental units (loan not grant)	\$ 850,000.00	57
Piedmont Housing Alliance - Monticello Vista purchase and preservation	\$ 200,000.00	50
CCDC Energy Efficiency Housing Audits	\$ 35,000.00	
Habitat for Humanity (construction of 10 new homes)	\$ 220,000.00	10
Albemarle Housing Improvement Program (AHIP) Housing Rehabilitation Program	\$ 279,000.00	10
Piedmont Housing Alliance - Virnita Court Apartments rental property preservation	\$ 169,000.00	16
Piedmont Housing Alliance Workforce Housing Fund / Downpayment Assistance & Closing Costs	\$ 150,000.00	8
Piedmont Housing Alliance - renovation of historic property at 223 4th Street SW with accessory unit addition	\$ 50,000.00	
JABA Homeshare Study	\$ 15,000.00	
CRHA Strategic Planning for Redevelopment	\$ 210,000.00	
Shelter for Help in Emergency (SHE) rehab of Mitchell House Facility and Rental Subsidy	\$ 35,113.00	
Region 10 –Step Up Pilot Rent Subsidy Initiative for Mentally Impaired / Substance Abuse Individuals	\$ 235,887.00	
Habitat for Humanity Proposals 1 -3	\$ 200,000.00	11
SUBTOTAL	\$ 2,649,000.00	162
2008/09		
Virginia Supportive Housing Single Room Occupancy Development (broken out by pro-rata share of funding. 41 units claimed with funding from 09/10 & 10/11)	\$ 347,000.00	19
AHIP Emergency Housing Rehabilitation	\$ 50,000.00	39
AHIP Small Homeowner Rehab / Handicap Access Program (assisted units are included with the 39 shown under the AHIP Emergency Housing Repair program)	\$ 85,000.00	
AHIP Housing Rehabilitation Program	\$ 30,363.00	2

Piedmont Housing Alliance Foreclosure Prevention Program	\$ 20,000.00	2
Habitat for Humanity LEED Duplex at Paton Street	\$ 144,637.00	2
Habitat for Humanity - ecoMOD #4 Utility Connections (104 Elliott Avenue)	\$ 10,000.00	1
CRHA Master Planning with PHAR	\$ 100,000.00	
608 Ridge Street ecoREMOD House	\$ 100,000.00	1
TJACH Start-up cost related to First Street Church Homeless Shelter (a.k.a. the Haven)	\$ 12,500.00	
Habitat for Humanity Paton Street Neighborhood Infrastructure	\$ 100,000.00	27
Piedmont Housing Alliance Monticello Vista Apartment (acquisition and rehab)	\$ 50,000.00	
Thomas Jefferson Community Land Trust - startup expenses	\$ 15,000.00	
HOME program match	\$ 140,000.00	
Habitat for Humanity - ecoMOD #4 Site Improvements	\$ 25,000.00	
Housing Advisory Committee Related Expenses (e.g., meals)	\$ 1,688.85	
Region 10 - Step Up (Year 2) Rent Subsidy Initiative for Mentally Impaired / Substance Abuse Individuals	\$ 100,000.00	
Habitat for Humanity - ecoMOD 4 Site Work at 104 Elliott Avenue	\$ 26,000.00	
Region 10 –Step Up Pilot Rent Subsidy Initiative for Mentally Impaired / Substance Abuse Individuals	\$ 2,143.00	
Piedmont Housing Alliance Downpayment Assistance Program	\$ 50,000.00	9
Charlottesville Free Paint Program (note funds not used carry forward and units assisted are shown in correct fiscal year)	\$ 25,000.00	16
SUBTOTAL	\$ 1,434,331.85	118
2009/10		
AHIP Housing Rehabilitation Program	\$ 100,000.00	3
Virginia Supportive Housing Single Room Occupancy Development (broken out by pro-rata share of funding. 20 units claimed with funding from 08/09 & 10/11)	\$ 723,000.00	40
PHAR Bama Works Grant Matching Funds	\$ 25,000.00	
LPDA Design Concept for Elliott Avenue	\$ 5,049.00	
Virginia State Neighborhood Conference	\$ 500.00	
HOME extra program match	\$ 31,875.40	
Charlottesville Free Paint Program (assisted units shown by year utilizing remaining funds from prior allocation)	\$ 00000.00	18
SUBTOTAL	\$ 885,424.40	61
2010/11		
HOME Match	\$ 40,000.00	
Elliott Avenue Subdivision Survey - Southside MMM	\$ 3,850.00	
Elliott Avenue Design Charrette	\$ 5,000.00	
AHIP Emergency Housing Repair	\$ 50,000.00	26
Housing Conditions & Land Use Survey	\$ 39,622.93	
ecoREMOD – 608 Ridge Street (includes storm windows & sewer repair)	\$ 138,837.75	
AHIP Housing Rehabilitation	\$ 100,000.00	2
Elliott Avenue Site Work & Environmental Testing Work	\$ 6,140.15	
Habitat for Humanity Sunrise Development (land purchase and	\$ 400,000.00	32

predevelopment expenses for homes at the Sunrise Development)		
ASG Rental Subsidies for Persons with HIV/AIDS	\$ 15,000.00	
PHAR Match for Bama Works Grant	\$ 25,000.00	
PHA Downpayment Assessment Program	\$ 40,000.00	12
Virginia Supportive Housing Single Room Occupancy Development (broken out by pro-rata share of funding. 59 units claimed with funding from 08/09 & 09/10)	\$ 23,560.12	1
Charlottesville Free Paint Program (note funds not used carry forward and units assisted are shown in correct fiscal year)	\$ 15,000.00	35
Administrative & Other Expenses	\$ 44,486.73	
SUBTOTAL	\$ 946,497.68	108
2011/12		
Housing Planner Salary & Benefits - Transfer to General Fund	\$ 89,179.00	
JABA Timberlake Acquisition (initial funding)	\$ 500,000.00	26
Habitat Paton Street Acquisition/Build - Region 10 & Thomas Jefferson Community Land Trust Units	\$ 685,000.00	3
JABA Timberlake Acquisition (supplemental funding)	\$ 117,000.00	
JABA Market Study Sunrise	\$ 10,500.00	
Building Goodness - Assistance with Building Goodness in April Event	\$ 20,000.00	
AHIP Emergency Housing Repair	\$ 50,000.00	29
AHIP Housing Rehabilitation	\$ 120,000.00	6
Habitat and AHIP Build a Block Planning Funds	\$ 35,000.00	
Habitat Down Payment Assistance Program for Sunrise Development (32 affordable units shown with 10/11 land purchase and predevelopment assistance)	\$ 15,000.00	
CALM- Planning Grant for 991 5th Street S.W. (property to be used for Harmony Ridge development)	\$ 11,000.00	
Section 3 Coordinator Salary & Benefits	\$ 25,000.00	
Acquisition of Properties at 8th Street N.W. adjacent to Westhaven through Habitat for Humanity	\$ 140,000.00	
8th Street N.W. adjacent to Westhaven - extra closing costs	\$ 3,000.00	
Motivation Inc Section 3 training	\$ 2,499.00	
Thomas Jefferson Community Land Trust - Cleveland Ave Site Preparation	\$ 5,700.00	2
8th Street N.W. Demolition of Houses at 204 and 210 8th St N.W.	\$ 15,650.00	
Virginia Supportive Housing - Crossings at 4th & Preston Housing Vouchers	\$ 45,500.00	
CRHA Administration - Crossings at 4th & Preston Housing Vouchers	\$ 4,536.76	
Charlottesville Free Paint Program (assisted units shown by year utilizing remaining funds from prior allocation)	\$ 00000.00	48
Administrative Expenses	\$ 25,824.42	
SUBTOTAL	\$ 1,920,389.18	114
2012/13		
Charlottesville Redevelopment and Housing Authority Administrative Support	\$ 100,000.00	
PHAR - Match for Bama Works	\$ 25,000.00	
Virginia Supportive Housing - Crossings at 4th & Preston Housing Vouchers	\$ 156,492.00	

CRHA Administration - Crossings at 4th & Preston Housing Vouchers	\$ 17,617.32	
Promise Neighborhood Architectural Design for 210 8th Street N.W.	\$ 20,000.00	
AHIP Emergency Housing Repair (includes both \$50K and \$100K allocations)	\$ 150,000.00	55
AHIP Housing Rehabilitation	\$ 200,000.00	23
HOME Match	\$ 58,000.00	
Section 3 Coordinator Salary & Benefits	\$ 55,000.00	
Habitat for Humanity Belmont Cottages	\$ 300,000.00	6
AHIP Block By Block Charlottesville (BXBC) Project	\$ 400,000.00	12
MACAA Hope House Program Expenses	\$ 40,000.00	
Charlottesville Free Paint Program (assisted units shown by year utilizing remaining funds from prior allocation)	\$ 00000.00	16
Administrative Expenses	\$ 30,000.00	
SUBTOTAL	\$ 1,552,109.32	112
2013/14		
Virginia Supportive Housing - Crossings at 4th & Preston Housing Vouchers	\$ 87,121.00	
CRHA Administration - Crossings at 4th & Preston Housing Vouchers	\$ 15,416.01	
CRHA Playground Equipment Purchase	\$ 100,000.00	
HOME Match	\$ 16,712.00	
AHIP Housing Rehabilitation (includes two separate \$200K allocations)	\$ 400,000.00	10
AHIP Emergency Housing Repair (includes two separate \$100K allocations)	\$ 200,000.00	49
Building Goodness Foundation - Block by Block Charlottesville (BXBC) Project	\$ 8,500.00	
AHIP Block By Block Charlottesville (BXBC) Project	\$ 550,000.00	9
CALM/Habitat for Humanity/PHA 991 5 th Street S.W. Development	\$ 350,000.00	8
HOME Match	\$ 20,000.00	
Charlottesville Free Paint Program (note funds not used carry forward and units assisted are shown in correct fiscal year)	\$ 5,000.00	6
SUBTOTAL	\$ 1,752,749.01	82
2014/15		
Repayment of HOME funds used for 405 Avon St. purchase (CRHA Garage)	\$ 37,425.00	
Rhodeside & Harwell, RCLCO Housing Study	\$ 62,000.00	
CRHA Reserve Account	\$ 264,999.00	
CRHA Modernization Coordinator	\$ 35,000.00	
Virginia Supportive Housing - Rental Assistance for the Crossings	\$ 150,000.00	
TJACH Spring for Housing - Short Term Rental Subsidy for the SURGE	\$ 105,000.00	
AHIP Block by Block Charlottesville (BXBC) Planning Assistance	\$ 22,029.00	
AHIP Emergency Repair Program Assistance	\$ 75,000.00	44
Piedmont Housing Alliance - Carlton Views LIHTC Project Assistance (only half of 54 units claims as additional funds provided in FY 15/16)	\$ 475,000.00	27
Piedmont Housing Alliance - Orangedale & Prospect DPA Program	\$ 181,125.00	
Charlottesville Free Paint Program (assisted units shown by year utilizing remaining funds from prior allocation)	\$ 00000.00	17
Administration 1% Reserve/Set Aside	\$ 18,560.37	

SUBTOTAL	\$ 1,426,138.37	88
2015/16		
Piedmont Housing Alliance - Carlton Views LIHTC Project Assistance (only half of 54 units claims as additional funds provided in FY 14/15)	\$ 475,000.00	27
Habitat for Humanity of Greater Charlottesville - DPA for High/Mixed Income Scattered Site Area	\$ 225,000.00	10
AHIP Scattered Site Rehabilitation	\$ 264,000.00	
AHIP Block by Block Charlottesville (BXBC) 10th & Page Phase 2	\$ 264,000.00	
AHIP BXBC Orangedale & Prospect Phase 1	\$ 462,000.00	
AHIP Emergency Repair Program Assistance	\$ 100,000.00	
Design Develop - ADU Workbook	\$ 4,950.00	
Piedmont Housing Alliance - Friendship Court Pre-development Planning	\$ 350,000.00	
CDBG Repayment to HUD for Disallowed Cost	\$ 4,600.00	
Charlottesville Free Paint Program (assisted units shown by year utilizing remaining funds from prior allocation)	\$ 00000.00	15
Administration 1% Reserve/Set Aside	\$ 19,173.01	
SUBTOTAL	\$ 2,168,723.01	52

The following is a summary of funding allocated by Council to the Affordable Housing Fund. The CIP appropriation amount came through the regular competitive process; however, program income and transfers reflect additional funds such as loan repayments, cash contributions as a result of the affordable dwelling unit ordinance, and the occasional proffer payment. As these “other” sources of funds cannot be readily predicted, these are typically not considered when requesting funds through the CIP process.

Fiscal Year	CIP Appropriation	CIP with Program Income and Transfers ⁶
07-08 ⁷		\$749,000.00
07-08	\$1,750,000.00	\$1,900,000.00
08-09	\$1,400,000.00	\$1,479,500.00
09-10	\$1,000,000.00	\$1,034,500.00
10-11	\$1,200,000.00	\$1,223,560.12
11-12	\$1,410,000.00	\$1,982,284.51
12-13	\$760,000.00	\$1,521,514.53
13-14	\$1,528,154.00	\$1,663,997.26
14-15	\$1,569,322.00	\$1,856,037.43
15-16	\$1,569,322.00	\$1,917,301.48
Total	\$12,186,798.00	\$15,327,695.33

The City has invested affordable housing fund money into a variety of different efforts over the past eight years with a variety of results. Over time, staff (working in conjunction with the Housing Advisory Committee on project evaluation and review criteria) have attempted to focus funding recommendations for those projects that have the most potential for increasing affordable housing; however, this has been balanced with investments in planning and other associated efforts over this same time period as well. The following summarizes assisted projects by the general “type” of assistance. These generalized categories provide information for City investments over the past eight years; however, there are still some older projects that are on-going, which means that cost per benefit information is subject to change when final beneficiaries have been identified. The amount of leverage is another factor that needs to be considered; however, this data has not been

⁶ Not all funds have been obligated.

⁷ These funds preceded the formation of the City’s affordable housing fund.

collected in the past, so staff will need to go back to project recipients to try to gather historical information. This noted, staff intends to begin to collect this data to include with the next housing report. It is hope that this type of information will also be helpful in evaluating future projects to inform funding decisions.

Type of Assistance	Investment⁸	Number of Units Assisted	Cost Per Benefit (rounded as applicable)
Rental Housing Preserved	\$1,269,000	123	\$10,317
New Single Family Homes	\$1,549,637	32	\$48,426
Down Payment & Closing Cost Assistance and Foreclosure Prevention	\$456,125	31	\$14,714
Owner Housing Preserved/Rehabbed	\$2,476,701	78	\$31,753
Planning or Administration Assistance	\$1,365,109	0	NA
Energy Audits	\$35,000	NA	NA
Rental Subsidy	\$969,826	NA	NA
New Rental Housing	\$1,568,560	87	\$18,029
Emergency Repairs	\$680,000	242	\$2,810
Infrastructure/Demolition & Pre-Development Assistance	\$558,490	38	\$14,697
HOME Match Assistance	\$344,014	NA	NA
Free Paint Program Assistance	\$45,000	156	\$288
Land Purchase	\$1,160,000	58	\$20,000

The following is a list of programs, policies and planning efforts that have been undertaken since the last housing report in April 2014, but are not necessarily reflected in the above list of investments.

- Assistance with transition of CAHF rental support to CRHA HUD project based vouchers for 21 tenants at the Crossings at Fourth & Preston
- Oversight and completion of the City of Promise facility at 708 Page Street (inclusive of prior effort at 210 8th Street NW)
- Working with CRHA and the Office of Economic Development to facilitate a loan to repay CDBG funds and allow CRHA to maintain ownership of the garage property at 405 Avon Street
- Update of City Housing Policy #1 (Objectives for Use of Charlottesville Affordable Housing Fund and Criteria/Priorities for Award of Funds)
- Revision of Affordable Dwelling Unit (ADU) Ordinance to expand the definition to facilitate possible commitment of housing units rather than payment into the CAHF
- 608 Ridge Street lease extension (negotiation and Council approval)
- Revision of Affordable Dwelling Unit Ordinance Standard Operating Procedure/Regulations to incorporate new definition and rent calculations
- Revision of Dogwood Housing loan agreement to address rent calculations to bring about project compliance
- Sponsorship & participation in the Homelessness and Housing Symposium working with TJACH held in March 2015
- Staff support for development of a Comprehensive Housing Analysis including consumer research for both employee and affordable surveys
- Assistance with NDS effort related to 610 Ridge Street spot blight determination/stabilization
- Participation in Blue Ridge Apartment Council Affordable Housing Panel discussion

⁸ FY 15/16 is excluded since the majority of these funds have not yet been expended at this time.

- Housing Advisory Committee (HAC) support including on-going code audit effort
- 2015 Governor's Housing Award for Best Housing Preservation / Revitalization
- Involvement with Westhaven Community Day and Habitat City Build 2015
- On-going technical assistance for proposed housing efforts
- Technical support to Region 10 for proposed IMPACT project related to a residential treatment facility
- 2015 Virginia Coalition to End Homelessness (VCEH) Housing First award for Spring for Housing effort
- Participation in the 2015 VCEH Conference discussion regarding housing trusts
- Assistance with training and transition of City's Grants and Section 3 Coordinator position
- Participation on CRHA transition team and assistance with reestablishing a CRHA Redevelopment Advisory Committee
- Assistance with development of a workbook for Accessory Apartments/Accessory Dwelling Units
- Participation with PHA redevelopment planning effort for Friendship Court

Opportunities for Future Efforts

CRHA Redevelopment - CHRA is currently undergoing a change in the Executive Director position. The City will need to continue to work supportively with CRHA to figure out a way to stabilize operations as well as redevelop public housing sites which would allow for income mixing while taking advantage of existing infrastructure and close proximity to jobs, transit and cultural opportunities. Use of the Charlottesville Development Corporation (CDC) might also facilitate **use of the Public-Private Education Facilities Infrastructure Act** (a.k.a. PPEA) working cooperatively with our Office of Economic Development.⁹

Given the unknowns relative to utilizing CAHF for CRHA redevelopment and operations, there is much uncertainty as to what level of funding may ultimately be needed; however, there is potential that additional funds (above the CIP level) will be available in the near future.

- Should the new student housing development known as "the Standard" proceed to construction, it will trigger the Affordable Dwelling Unit ordinance and potentially either add affordable units and/or contribute to the CAHF (as is required by the ADU ordinance). Either outcome would positively impact the City's affordable housing efforts, providing additional resources to the CAHF and/or units toward our 15% goal.
- The City anticipates \$100,000 from development of the Water Street Promenade.
- The City anticipates \$300,000 from the developer of the Marriott at the corner of West Main/McIntire-Ridge. \$200,000 will be paid at the time of the issuance of the Certificate of Occupancy and a promissory note (payable to the City) will provide the remaining \$100,000 to be paid within one year. These funds must be used for CRHA redevelopment.
- Proposed developments on both East Market Street as well as Market Plaza will trigger the Affordable Dwelling Unit ordinance. Woodard Properties has discussed the potential for providing off-site affordable units to satisfy the East Market Street requirements; however, if this does not come to fruition, at a minimum, both developments will provide additional funds to the CAHF. The dollar amounts will need to be determined once construction plans have been finalized.

Code Audit - The HAC subcommittee for the housing code audit has recently completed a list of issues to help foster the City's planned code audit. This list contains items of specific interest to furthering affordable housing efforts. As the City's code audit is currently on hold pending completion of other studies/efforts, HAC subcommittee members have agreed to research specific recommendations and identify suggestions for possible code changes as well as examples from

⁹ Under PPEA, a "qualifying project" means (i) any education facility, including, but not limited to a school building, any functionally related and subordinate facility and land to a school building (including any stadium or other facility primarily used for school events), and any depreciable property provided for use in a school facility that is operated as part of the public school system or as an institution of higher education; (ii) *any building or facility that meets a public purpose and is developed or operated by or for any public entity.*

other communities to help inform a future effort. The housing code audit list is as follows:

1. Limitations on the number of unrelated persons in the zoning ordinance
2. Whether the PUD ordinance is actually providing different results than what by-right zoning would provide and does the existing zoning and subdivision ordinances need to be modified
3. If the PUD ordinance can be changed to explicitly include affordable housing
4. Can the standard of review and objectives be changed to ask for elaboration regarding size/type and price point to get at the affordability issue
5. Tying parking to specific developments, looking at both a minimum and maximum levels of parking, with a possible waiver for affordable units and consideration of potential offsets (bike parking, proximity to transit, etc...)
6. Reduced setbacks for ADUs and looking at the number of unrelated people allowed in ADUs and primary units
7. Examination of opportunities along edge zones where impact to neighborhoods would not be felt as strongly
8. Potential subdivision of larger lots
9. Potential reduction in dimensional lot and road frontage standards in an effort to expand density without changing zoning
10. Potential revisions to the infill SUP process and expansion of the infill SUP zone
11. Consideration of unit lot code model which would provide fee simple lots without road frontage
12. Examining infrastructure requirements, particularly street/road standards

Housing Study - Rhodeside and Harwell, utilizing a subcontract arrangement with RCLCO, are in the process of finalizing the City's Comprehensive Housing Analysis and Policy Recommendations. Since this document is still in draft form (working to incorporate both staff and HAC recommendations), no specifics are included herein; however, staff has arranged for RCLCO to present the report and their findings/recommendations at the February 1, 2016, Council meeting. This document will need to be closely evaluated, with a focus on bringing forward recommendations for policy changes and other initiatives over the next year.

Conclusion/Summary

Charlottesville is maintaining the number of affordable units, but not significantly increasing its percentage of affordable housing stock. As new student rental and other housing developments continue to come on line over the next year or so, it will be difficult not to lose ground as large affordable projects are more the exception than the rule and location of such projects is problematic given conflict between Comprehensive Plan goals/objectives and funding streams (e.g., Low Income Housing Tax Credit) that prioritize location of such units in existing low income areas.

It is important to recognize that the 2025 Goals for Affordable Housing Report is focused on achieving a certain percentage of affordable housing units rather than focusing on helping individuals and families actually secure housing. Any goal that is solely focused on physical structures rather than human beings will potentially have negative social repercussions; therefore, due consideration needs to be afforded to reevaluating the goal and/or achieving compliance through incorporation of efforts that consider the variety of individual housing needs. The 2014 revisions to Housing Policy #1 attempted to *move the needle* toward evaluating and tracking project and people based initiatives differently; however, there is still more room for other considerations. As the City looks ahead to refining their approach to affordable housing issues and to implementing Comprehensive Plan goals/objectives, we must be open to creative approaches and to use of the Charlottesville Development Corporation (to provide the City and CRHA with a development arm) to actively participate in efforts that will accomplish our goals.