Affordable Housing
CHARLOTTESVILLE
APRIL 4, 2022
COUNCIL WORK SESSION
AGENDA

- HR&A Report
- Affordable Housing Plan to Work Plan
- Grants, CIP, & Relief Programs (+ Proffers)
- Considerations ➔ Decisions
- NEXT STEPS?
What Did We Learn From HR&A Report?

Since 2010:

$46.7M Invested in Affordable Housing

1,611 Affordable Units Constructed & Preserved

+640 additional households served
Since 2010, the City of Charlottesville has administered a total of $46.7 million in funding to support a variety of affordable housing initiatives.

### Types of Grants

**Development** – new construction and rehabilitation of homes

**Program** – renovation and energy retrofits, rental and homeownership assistance

**Operating** – grants for nonprofit operations and overhead

**City Administration** – internal City initiatives such as staff, consultant services

### Total Spending by End Use

- **Development** – 47%
- **Program** – 40%
- **Operating** – 11%
- **City Administration** – 2%
Summary Statistics | 95% of CAHF was concentrated in grants to 11 recipients, who provide a range of housing development and programs

Total Funding (and Cumulative Share of Funding) by Recipient, Largest to Smallest

2010 - present

- Operating
- Program
- Development

$5.9M of PHA development funding was for Friendship Courts project
Nearly half of CAHF funding has gone to housing development, with an additional 40 percent to housing programs.

### CAHF Awarded Since 2010: Agencies Receiving over $2M

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</thead>
<tbody>
<tr>
<td><strong>AHIP</strong></td>
<td>$395,352</td>
<td>$414,056</td>
<td>$404,053</td>
<td>$999,352</td>
<td>$1,322,442</td>
<td>$221,898</td>
<td>$1,239,009</td>
<td>$1,068,214</td>
<td>$1,001,821</td>
<td>$555,644</td>
<td>$714,653</td>
<td>$112,036</td>
<td>$8,448,530</td>
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<tr>
<td><strong>CRHA</strong></td>
<td>$25,000</td>
<td>$150,000</td>
<td>$650,000</td>
<td>---</td>
<td>$300,000</td>
<td>$468,276</td>
<td>---</td>
<td>---</td>
<td>$900,000</td>
<td>$945,000</td>
<td>$750,000</td>
<td>$4,209,048</td>
<td>$8,397,324</td>
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<tr>
<td><strong>PHA</strong></td>
<td>---</td>
<td>$80,000</td>
<td>$750,000</td>
<td>$88,902</td>
<td>$20,900</td>
<td>$191,525</td>
<td>$1,334,060</td>
<td>---</td>
<td>$177,500</td>
<td>$54,869</td>
<td>---</td>
<td>$5,545,159</td>
<td>$8,242,915</td>
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<tr>
<td><strong>Habitat for Humanity</strong></td>
<td>$106,000</td>
<td>$1,185,000</td>
<td>$158,000</td>
<td>$320,000</td>
<td>$52,140</td>
<td>$31,500</td>
<td>$364,460</td>
<td>$480,000</td>
<td>$520,000</td>
<td>$624,503</td>
<td>---</td>
<td>$47,077</td>
<td>$3,888,680</td>
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<tr>
<td><strong>TJCLT</strong></td>
<td>---</td>
<td>---</td>
<td>$5,700</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>$240,000</td>
<td>$1,320,000</td>
<td>$1,440,000</td>
<td>---</td>
<td>---</td>
<td>$3,005,700</td>
</tr>
<tr>
<td><strong>Virginia Supportive Housing</strong></td>
<td>$1,825,000</td>
<td>---</td>
<td>$45,500</td>
<td>$156,492</td>
<td>$87,121</td>
<td>$150,000</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>$2,264,113</td>
</tr>
</tbody>
</table>
Summary Statistics | Funding levels have averaged $3.6 million per year, with a large outlier in 2021, which totaled $10.4 million*

*In 2021, CRHA and PHA received a combined total of $10.4 M
On an average per-unit basis, public subsidy for new construction ranged $20K – $45K, and rehab ranged $3K – $25K.
Summary Statistics | Of the select programs for which we reviewed racial demographic data, most beneficiaries were Black households.
Summary Statistics | Over half of households served by home retrofit and single-family new construction programs earn less than 50%AMI.
What Did We Learn From HR&A Report?

We don’t know how many affordable units still exist? Or for how long?

We don’t have a good compliance program internally

We don’t have the best agreements in play

We don’t protect consistency in our execution

We don’t have a comprehensive housing policy

We don’t have a great working relationship with our funded partners

We don’t have a definition of affordable housing
What Did We Learn From HR&A Report?

CHARLOTTESVILLE IS PUNCHING ABOVE ITS WEIGHT CLASS
Planning

Affordable Housing Plan = Good Document
Affordable Housing Plan = Good Document

Implementation = Managing Expectations

Implementation = Needs Assessment
Planning

Affordable Housing Plan = Good Document

Implementation = Managing Expectations

Implementation = Needs Assessment

Implementation = Gap Analysis

Implementation = Investing/Pivoting/Reconsidering/Reporting
Areas of Opportunity: Land Trust
- Diversifying the options in the affordable housing toolbox
- Which is the priority: funding the current land trust or establishing a city land bank?

Areas of Opportunity: Unhoused
- Need targeted investments
- Need service supports to close the gap
- Need service provider capacity OR
- Need Council direction on city’s role in standing in the gap
### Current Commitments

<table>
<thead>
<tr>
<th>Project Details</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRHA (Redevelopment Projects) [FY21-25]</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>CRHA (Rental Assistance Program) [FY21-25]</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>PHA (Friendship Court 3 Phases) [FY21-25]</td>
<td>$11,395,000</td>
</tr>
</tbody>
</table>

### Pending Commitments

<table>
<thead>
<tr>
<th>Project Details</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHA – Park Street</td>
<td>$1,950,000</td>
</tr>
<tr>
<td>PHA – MACAA Project</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>CRHA – 15Yr Tax Rebate for LIHTC Units</td>
<td>$???</td>
</tr>
<tr>
<td>PHA – 25Yr Tax Rebate for FC [FY24/25]</td>
<td>$200,000/yr</td>
</tr>
</tbody>
</table>

### Future Commitment Possibilities

<table>
<thead>
<tr>
<th>Project Details</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRHA – Westhaven Redevelopment</td>
<td>$???</td>
</tr>
<tr>
<td>CRHA – Construction &amp; Rehab of Portfolio</td>
<td>$???</td>
</tr>
<tr>
<td>PHA – Friendship Court – Phase IV</td>
<td>$???</td>
</tr>
</tbody>
</table>
Investing

- HAC Restructuring
- CAHF Committee Establishment
- Align with Vibrant Communities Fund
- Enhance Staff Capacity
- Maintain Data Analysis
- Impact Investment Recommendations
- Relationship Building & Repair
Investing

FY23 Example
• 8 Housing-Focused Proposals
• 7 Organizations
• All are funded partners in other areas

TOTAL REQUESTED: $752,600
TOTAL RECOMMENDED: $501,337
### Income Breakdown

<table>
<thead>
<tr>
<th>AMI Breakdown</th>
<th>CHAP</th>
<th>RE Tax Relief</th>
<th>Rental Relief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 30% AMI = $28,100</td>
<td>313</td>
<td>203</td>
<td>273</td>
</tr>
<tr>
<td>Up to 50% AMI = $46,850</td>
<td>198</td>
<td>74</td>
<td>4</td>
</tr>
<tr>
<td>Up to 80% AMI = $74,950</td>
<td>86</td>
<td>18</td>
<td>0</td>
</tr>
</tbody>
</table>
**Investing**

**Areas of Opportunity:** Entitlements

- **Priority:** meeting HUD’s expectations
  - Manage Program Well
  - Meet National Objectives
  - Low-Moderate Income Households

- **Priority:** exceeding HUD’s expectations
  - No Timeliness warnings
  - No warnings on misuse of funds
  - No recapture of funds
Investing

Proffers

Stribling
$232k/Yr
20 Years

COST OF PROFFERS & Misc

Friendship Court
$200k/Yr
25 Years

Areas of Opportunity: Impact

• Ensuring the highest return on investment
• Ensuring the largest number of households reached
Investing

Office of Community Solutions

Currently 3 FTEs
Housing Manager
Compliance Coordinator

Housing - Redevelopment - Neighborhood Services
LONG TERM PROJECTION

Additional staff for critical roles:

- ROI Analyst
- LIHTC/NMTC/Investment Consultant
- Projects Inspector
- Finance Manager
- Neighborhood Ambassadors (3-4)
- Contracts Coordinator
- Community Planner (New Programs)
What Did We Learn From HR&A Report?

We don’t know how many still exist? Or for how long?

We don’t have a good compliance program internally

We don’t have the best agreements in play

We don’t protect consistency in our execution

We don’t have a comprehensive housing policy

We don’t have a great working relationship with our funded partners
Performing

**Issue:** Tracking Production Investments

- Historically hit or miss
- HAC has developed a tool – need to integrate into our tracking/compliance function
- Could help with Proffer tracking
## Housing Intervention Analysis Tool

<table>
<thead>
<tr>
<th>Intervention</th>
<th>AMI Target</th>
<th>Unit-Years</th>
<th>Actual FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRHA Replacement Rental Units</td>
<td>&lt;30% AMI</td>
<td>371</td>
<td>11,130</td>
<td>105</td>
<td>58</td>
<td>25</td>
<td>68</td>
<td>66</td>
</tr>
<tr>
<td>Friendship Court Replacement Units</td>
<td>&lt;30% AMI</td>
<td>150</td>
<td>4,500</td>
<td>46</td>
<td>54</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional CRHA Units</td>
<td>&lt;30% AMI</td>
<td>61</td>
<td>1,830</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendship Court New Units</td>
<td>&lt;30% AMI</td>
<td>31</td>
<td>930</td>
<td>11</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendship Court New Units</td>
<td>30-50% AMI</td>
<td>119</td>
<td>3,570</td>
<td>19</td>
<td>20</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendship Court New Units</td>
<td>50-80% AMI</td>
<td>150</td>
<td>4,500</td>
<td>30</td>
<td>25</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRO/PSH Units</td>
<td>&lt;30% AMI</td>
<td>30</td>
<td>900</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessory Dwelling Units</td>
<td>50-80% AMI</td>
<td>44</td>
<td>660</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>5</td>
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<tr>
<td>LIHTC Rentals</td>
<td>30-50% AMI</td>
<td>100</td>
<td>3,000</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proffer</td>
<td>50-80% AMI</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordable Homeownership</td>
<td>30-50% AMI</td>
<td>60</td>
<td>1,800</td>
<td>6</td>
<td>6</td>
<td>6</td>
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</tbody>
</table>
# Implementation Workplan

## FUNDING RECOMMENDATIONS

<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>TASK</th>
<th>RESOURCE ALLOCATION</th>
<th>GOAL TYPE &amp; MEASURE</th>
<th>IMPLEMENTATION BARRIERS</th>
<th>TASK</th>
<th>IMPLEMENTATION ADJUSTMENTS</th>
<th>IMPLEMENTATION STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scale</td>
<td>Dedicate $10m per year to fund affordable housing to 1) increase the # of subsidized affordable homes by 1,100 homes (on top of an existing stock of 1,630 actively subsidized homes), 2) preserve 600 existing subsidized affordable homes, and 3) stabilize 1,800 to 2,200 owner and renter households facing housing instability</td>
<td>Council $10m annually</td>
<td>2021 2022 2023+</td>
<td>Competing Budget Priorities Availability of Funding Annual Deposit Commitment Possible New Council Position Major Work to Unpack the Task</td>
<td>Ongoing</td>
<td></td>
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## GOVERNANCE RECOMMENDATIONS

<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>TASK</th>
<th>RESOURCE ALLOCATION</th>
<th>GOAL TYPE &amp; MEASURE</th>
<th>IMPLEMENTATION BARRIERS</th>
<th>TASK</th>
<th>IMPLEMENTATION ADJUSTMENTS</th>
<th>IMPLEMENTATION STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Staff Capacity</td>
<td>Hire a Housing Manager - Office of Community Solutions</td>
<td>Sam + OCS $100,000</td>
<td>May-22 Jun-22 July/Aug 2022 Time/Budget Increase Advertising/Interview</td>
<td>In Progress</td>
<td></td>
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</tr>
</tbody>
</table>

## LAND USE RECOMMENDATIONS

<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>TASK</th>
<th>RESOURCE ALLOCATION</th>
<th>GOAL TYPE &amp; MEASURE</th>
<th>IMPLEMENTATION BARRIERS</th>
<th>TASK</th>
<th>IMPLEMENTATION ADJUSTMENTS</th>
<th>IMPLEMENTATION STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusionary Zoning</td>
<td>Create a mandatory inclusionary zoning policy to increase the production of affordable homes as part of new development</td>
<td>NDS $75,000</td>
<td>Contracted August 2021 Consultant Deliverables 3/2022 Tentative Council Adoption 10/2022</td>
<td>Adoption schedule is tentative and TBD by Council</td>
<td>In Progress</td>
<td></td>
<td></td>
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</table>

## TENANTS’ RIGHTS RECOMMENDATIONS

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<tr>
<th>PRIORITY</th>
<th>TASK</th>
<th>RESOURCE ALLOCATION</th>
<th>GOAL TYPE &amp; MEASURE</th>
<th>IMPLEMENTATION BARRIERS</th>
<th>TASK</th>
<th>IMPLEMENTATION ADJUSTMENTS</th>
<th>IMPLEMENTATION STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right to Counsel</td>
<td>Dedicate funding for the provision of legal services for tenants facing eviction</td>
<td>Council TBD</td>
<td>Apr-22 TBD TBD</td>
<td>Amount Determination Program Design Commitment Terms Council consideration of dedication over competitive</td>
<td>Active</td>
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## SUBSIDY RECOMMENDATIONS

<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>TASK</th>
<th>RESOURCE ALLOCATION</th>
<th>GOAL TYPE &amp; MEASURE</th>
<th>IMPLEMENTATION BARRIERS</th>
<th>TASK</th>
<th>IMPLEMENTATION ADJUSTMENTS</th>
<th>IMPLEMENTATION STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Housing Redevelopment</td>
<td>Set parameters for level and timing of funding that can be made available to CRHA to modernize all public housing</td>
<td>CRHA Council TBD</td>
<td>South 1st Street Crescent Halls Sixth Street Westhaven</td>
<td>Development Scheduling LITHC Competitiveness NDS Approval Process</td>
<td>TBD TBD TBD Started</td>
<td></td>
<td></td>
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</table>
Other Issues to Consider:

**Issue**: HAC Alignment
- HAC Structure
- CAHF Subcommittee
- Remedying Tensions with Staff

**Issue**: Strategic Investments
- Performing problem analysis & data collection
- Developing recommendations
Areas of Opportunity: External Grants
- City-led grant pursuits to land additional resources for deployment

Areas of Opportunity: Leverage
- Reserve fund to acquire property for impact projects (determine city role in such endeavors)
- Working with the County & Region to identify joint investments for strategic impact
Q: What is Affordable Housing?

A: Fact is, anything is affordable because everything is affordable to someone

BUT . . .
Q: What is Affordable Housing?

In the housing sector, it is settled . . .

A: HUD defined affordable housing a long time ago as 80% AMI & Below

- Extremely Low Income = Below 30% AMI
- Very Low Income = Below 50% AMI
- Low Income = Below 80% AMI
- Moderate Income = Above 80% AMI

*We stop counting at 120% AMI*
Q: What is AMI?

AMI = Area Median Income
Charlottesville MFI: $93,700
30% AMI = $28,100
50% AMI = $46,850
80% AMI = $74,950

*Adjusted for Family of Four*
Q: What is Affordable Housing?

AND . . .

A: Affordability is achieved when 30% of household income is spent on housing alone.
Q: What is Affordable Housing?

YET . . .

Housing Choice Vouchers are targeted to households at 50% AMI or below.

75% of the HCVs available must be targeted to 30% AMI.

And most rents in Charlottesville are out of reach for all of them!
Affordability Gap

HUD FAIR MARKET RENT = $1,077

HOUSING CHOICE VOUCHER = $1,131
  Max 105% = $1,131/Mo
  Administered by CRHA
  538 Vouchers authorized by HUD
  No increase available – HUD sets max limits

CSRAP (CITY) = $1,346
CSRAP (COUNTY) = $1,185
  Max 125% = $1,346/Mo (City)
  Max 110% = $1,185/Mo (County)
  Administered by CRHA = 100 households
  City providing +/- $900k/yr since 2017
  Request to increase rent to $150% Max

REVISED CSRAP = $1,616
# How Much Living Space Does $1,500/mth Get You in the U.S.?

Average apartment size for a monthly rent of $1,500 in selected U.S. cities/boroughs in 2022 (in sq. ft.)

<table>
<thead>
<tr>
<th>City</th>
<th>Size (sq. ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbus</td>
<td>1,230</td>
</tr>
<tr>
<td>Baton Rouge</td>
<td>1,259</td>
</tr>
<tr>
<td>El Paso</td>
<td>1,305</td>
</tr>
<tr>
<td>Wichita</td>
<td>1,597</td>
</tr>
<tr>
<td>Nashville</td>
<td>799</td>
</tr>
<tr>
<td>Orlando</td>
<td>811</td>
</tr>
<tr>
<td>Atlanta</td>
<td>821</td>
</tr>
<tr>
<td>New Orleans</td>
<td>1,091</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>1,431</td>
</tr>
<tr>
<td>Seattle</td>
<td>475</td>
</tr>
<tr>
<td>Chicago</td>
<td>540</td>
</tr>
<tr>
<td>Denver</td>
<td>681</td>
</tr>
<tr>
<td>Las Vegas</td>
<td>934</td>
</tr>
<tr>
<td>Memphis</td>
<td>1,375</td>
</tr>
<tr>
<td>Manhattan</td>
<td>262</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>357</td>
</tr>
<tr>
<td>San Francisco</td>
<td>345</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>454</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>679</td>
</tr>
<tr>
<td>Dallas</td>
<td>881</td>
</tr>
</tbody>
</table>

Source: RentCafe/Yardi Matrix

Proof that affordability crisis exists in Charlottesville
DECISION POINTS

Defining Affordable Housing for Charlottesville

Determining Our Program Update

- Housing Advisory Committee Structure
- CAHF Subcommittee Structure
- HOME/CDBG Task Force – Staff Advisory
- Vibrant Community Fund – Transfer Housing $$$
- Proffer Preferences
- Investment Parameters
What’s Next?

Program Redesign – HR&A
- Final Memo to Staff (Next Week)
- Sample Agreements & Application (Mid-April)

Capacity
- New Housing Manager Position
- Software Integration
- Redirect Housing $ from VCF to CAHF
- Compliance Coordinator
What’s Next?

Evaluation
- Implementation Tracker
- Affordable Housing Inventory Assessment Tool
  - Both become regular reports
  - Post on website
  - Become scheduled reports to Council

Scope
- Redevelopment Strategy
- Neighborhood Services Strategy

Reset Relationship with HAC
Q&A