



City of Charlottesville
Charlottesville Affordable Housing Fund (CAHF)
Application for Funding Interest

This application process will be used to provide funding to address the affordable housing needs of individuals and families who live or work in the City by promoting, preserving and producing quality, long-term affordable housing options; providing housing related services to low-income and moderate-income households; and providing support for non-profit and for profit organizations that actively address the affordable housing needs of low- and moderate- income households. Applications are required to demonstrate the organization’s Diversity, Equity and Inclusion commitment, including its governing board’s make-up. All applicants must have a substantial presence in the City of Charlottesville. A total of \$835,000 in program funding will be recommended for approval to be awarded to eligible applicants effective May 1, 2023. Applications will be reviewed and evaluated and information and recommendations provided to City Council for direction on award of funding. Funding will not be guaranteed.

I. Overview

In November 2021, the City Council approved and adopted the 2021 Comprehensive Plan Amendment, of which the Charlottesville Affordable Housing Plan was a part. As part of the implementation process of this new plan, the City is revising its approach towards allocation of funding for affordable housing and homelessness support initiatives. As funding is limited, applications for funding will be made through a series of application processes specific to the source of funds and/or process of allocation of funding.

The Affordable Housing Plan recommends that the City make a strong and recurring financial commitment to address housing needs in Charlottesville in order to (1) increase the number of subsidized affordable homes by 1,100 homes (on top of an existing 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. City preference identifies affordable housing initiatives as those that support long-term affordability for households earning up to 60% Average Median Income (AMI).

The Charlottesville Affordable Housing Fund (CAHF) was established in 2007 by the City of Charlottesville to provide a flexible funding mechanism for housing-related projects. The primary purpose of the CAHF is to provide financial resources to address the affordable housing needs of individuals and families who live or work in the City by promoting, preserving and producing quality, long-term affordable housing options; providing housing related services to low-income and moderate-income households; and providing support for non-profit and for profit organizations that actively address the affordable housing needs of low- and moderate- income households. The CAHF is managed by the Office of Community Solutions in the City Manager’s Office.

Following a 2018 Housing Needs Assessment, the City Council ratified the Charlottesville Affordable Housing Plan (the “Plan”) in March 2021. This Plan becomes part of the City’s Comprehensive Plan. This Plan recommends that the City make a strong and recurring financial commitment to address housing needs in Charlottesville in order to (1) increase the number of subsidized affordable homes by 1,100 homes (on top of an existing 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.

II. City of Charlottesville Budget Adoption Process

Annually, the City of Charlottesville City Council considers various Capital Improvement Project and General Fund budget requests and deliberate these proposals through a public budget cycle process. The City of Charlottesville’s Fiscal Year starts July 1 and ends June 30. Funding requests shall be based on the City’s Fiscal Year. Applications submitted through this Application for Funding Interest application process will be provided to City staff and elected officials for consideration. Off-cycle requests for City funding for affordable housing development will not be considered outside of this application process.

Funding will not be guaranteed.

III. Conformance with City Plans

The City of Charlottesville has identified various priorities and goals as a tool to improve the key processes for planning, budgeting, and performance management. The priorities and goals are an approach to strategic management that links the City’s mission and vision to the development of strategies intended to achieve specific performance objectives as it relates to affordable housing.

Charlottesville City Council Vision 2025 and the City of Charlottesville Strategic Plan: The Charlottesville City Council Vision 2025 identifies vision statements for the City, including a vision statement for Quality Housing Opportunities for All. The Strategic Plan contains five high level citywide goals that provide the longer term direction of the City. There are several objectives under each goal which are statements of what the city must do well or barriers that the city must overcome to achieve a specific goal. Goal 1.3 specifically addresses the need to Increase Affordable Housing Options. The Charlottesville City Council Vision 2025 can be found at: <https://www.charlottesville.gov/DocumentCenter/View/1576/City-Council-Vision-Statement-PDF>

The Charlottesville Strategic Plan can be found at: <https://www.charlottesville.gov/1373/Strategic-Plan>

Consolidated Plan and Action Plan for the City of Charlottesville and the Thomas Jefferson Home Consortium: This Consolidated Plan serves as the City’s application to the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships (HOME) program. In addition to the Plan, the City is required to complete an Annual Action Plan that is approved by HUD before funds can be spent. The Annual Action Plan specifies project and program information about how the funds

are intended to be used to meet the priority needs identified in the Consolidated Plan. The objectives of the CDBG and HOME programs are to benefit low/moderate income persons, aid in the prevention or elimination of slums/blight, to address urgent community needs, and provide affordable and safe housing. The Consolidated Plan can be found at: <https://www.charlottesville.gov/DocumentCenter/View/1511/2018-to-2022-Consolidated-Plan-and-Fiscal-Year-2018-to-2019-Action-Plan-PDF>

City of Charlottesville Comprehensive Plan: The Charlottesville Comprehensive Plan provides Guiding Principles, Visions, Goals, and Strategies related to a variety of topics. Connected to the Comprehensive Plan are several functional plans that provide more detailed information about specific topics. These include, but are not limited to, the Affordable Housing Plan (2021) and the Bicycle and Pedestrian Master Plan (2015). This also includes the forthcoming Climate Action Plan. Also connected to the Comprehensive Plan, and informed by functional plans, there are Small Area Plans and similar documents which lay out a vision for land use, transportation, housing, and more for specific areas in the city. The Comprehensive Plan can be found at: <https://www.charlottesville.gov/DocumentCenter/View/7073/Comprehensive-Plan-Document--2021-1115-Final?bidId=>

City of Charlottesville Affordable Housing Plan: The Affordable Housing Plan contains immediate, short-term, and longer-term recommendations to advance affordable housing. The Plan is ultimately a living document to be used by City staff, housing policy advisors, and elected leadership to guide affordable housing policies and investments over the coming years. The Affordable Housing Plan can be found at: <https://www.charlottesville.gov/DocumentCenter/View/8600/Chapter-05-Appendix-2---Charlottesville-Affordable-Housing-Plan-PDF>

All applications received for affordable housing-related initiatives must conform to the above respective City Plans. Additional resources can be found in Exhibit 3.

IV. Fund Capitalization

The CAHF receives annual appropriations through the City of Charlottesville’s Capital Improvement Program budget process. The amount of CAHF dollars available for award each year will be determined upon the City of Charlottesville City Council’s adoption of the fiscal year budget. Additional sources of CAHF funding may include:

- a. Cash contributions in lieu of providing actual affordable units when rezoning or Special Use Permits of a specified level of density are approved. The amount of the cash contribution shall be determined in accordance with Section 34-12 of the City of Charlottesville Code, which outlines the City’s Affordable Dwelling Unit Ordinance. The cash contribution shall be indexed to the Consumer Price Index for Housing in the South Urban Region as published by the Bureau of Labor Statistics and shall be adjusted annually based upon the changes made in January of each year to that index.
- b. Voluntary contributions made through proffers.
- c. Repayment of loans made through the CAHF.

V. Distribution of Funds

Each annual appropriation to the CAHF will be provided as grants to nonprofit housing developers and/or providers, or for-profit developers. Funding will be disbursed through an application process each year, and possible additional disbursement(s), depending on funding availability. Funding priority will be recommended for those applications that best serve lower income affordable housing.

Approximately \$835,000 of CAHF funds are available through this current NOFA.

Targeted funding awards should be allocated as follows:

Level of Funding	Amount of Funding	Households Served
Tier 1	\$420,000	serving households with incomes up to 30% of Area Median Income (AMI)
Tier 2	\$250,000	serving households with incomes up to 60% of Area Median Income (AMI)
Tier 3	\$165,000	serving households with incomes up to 80% of Area Median Income (AMI)

VI. Eligible Applicants

CAHF funding is provided to nonprofit organizations, and for-profit developers. The City will accept funding applications that meet the following eligibility requirements:

- Applicant is a designated 501(c)(3) nonprofit organization, government entity, experienced housing developer or public housing agency.
- Applicant must not be in violation of any federal, state or local laws/regulations.
- Applicant has owned and/or developed at least one development that contains Supported Affordable Units (SAU), income-restricted units, or market rate housing units that have been placed in service. If applying for Low Income Housing Tax Credits (LIHTC), applicants must meet Virginia Housing eligibility requirements.
- The proposed project will provide housing units affordable to households with household incomes up to 80% Area Median Income as published by the US Department of Housing and Urban Development (HUD) for the Charlottesville, Virginia region, adjusted for household size. If the development is mixed-income, CAHF funds will be applied only to the affordable portion of the development.
- The proposed project adheres to the minimum affordability requirements for SAUs as outlined in Housing Policy 1.
- The proposed project activities are located within the jurisdictional boundaries of the City of Charlottesville.
- All organizations that are receiving other direct City awarded grant funding for a specific initiative cannot apply for CAHF funding for the same initiative.
- No additional funding will be awarded to organizations with unexpended balances awarded through CAHF, for the same initiative.

VII. Eligible Uses of CAHF Funds

CAHF funds will be used to support affordable housing projects located within the City of Charlottesville, unless otherwise approved by the Charlottesville City Council. Eligible uses of the funds include, but are not limited to:

- Redevelopment of Charlottesville Redevelopment and Housing Authority properties;
- Productive reuse of properties declared surplus by the City of Charlottesville for residential purposes;
- Land acquisition and assembly when the property will be developed within 2 years. If the property is not developed within 2 years then ownership of the property shall be conveyed to the City, or full funding returned with accrued interest and appreciation;
- Land development when the project is “shovel-ready”;
- Predevelopment expenses including: reasonable expenses for architectural fees, market research consultants, architectural plans and construction specifications, zoning approval fees, engineering studies, legal fees, and other costs directly associated with activities prior to development of the property, total not to exceed 10% of the total funding requested; Construction of supported affordable homeowner or rental housing units;
- Construction of mixed-income communities;
- Construction or preservation of Single Room Occupancy developments;
- Preservation or expansion of housing options for Special Needs Populations;
- Increasing housing accessibility and/or visitability;
- Preservation or expansion of supported affordable housing;
- Homeowner or rental property rehabilitation;
- Programs supporting homeownership, such as: homeownership counseling, down payment and closing cost assistance, or employer supported housing programs;
- Energy efficiency upgrades;
- First-time homebuyer education programs;
- Rental subsidies;
- Data collection to better understand housing issues/needs and to study affordable housing stock and supported affordable units (SAU) issues as they relate to the 2025 housing goal (limited to no more than 10% of annual CIP allocation to the CAHF);
- Programmatic purposes only when a determination has been made that 2025 housing goals are on track or ahead of schedule.

CAHF funds cannot be used to cover the costs associated with the following activities:

- Property tax penalties;
- Rental of room for community meetings;
- Mailings;
- Refreshments for community or neighborhood outreach meetings;
- Transportation to community or neighborhood outreach meetings;
- Administrative or staffing costs that exceed 10% of total funding allocation; OR
- Administrative or staffing costs for nonprofit developers if HOME, CDBG or other available funding sources are available for this purpose.

VIII. Application Review and Evaluation Criteria

Completed applications will be evaluated through a technical review process. Applications will be assessed on the evaluation criteria described below. Recommendations for funding will be based on which project(s) meets or exceeds these criteria to the greatest degree. Recommendations for project funding will be presented to the Charlottesville City Council for approval. Funding award notifications will be issued following City Council approval.

NOTE: If project proposals do not adequately meet the described guidelines, the technical review committee may recommend not funding the proposal(s) and reserves the right to reject any and all proposals.

Completed applications will be evaluated as follows:

- City housing staff will review the applications for completeness and evaluate the Tier of the application and the viability of the project being completed within 24 months
- A technical review committee will review the applications forwarded to them by city housing staff. Applications will be assessed on the evaluation criteria contained in the Application for Funding Interest. Recommendations for funding will be based on which project(s) meets or exceeds these criteria to the greatest degree.
- Recommendations for project funding will be presented to the Charlottesville City Council for approval.

Applications will be assessed based on how well they address the following factors:

A. *Affordability*

- Applications proposing project(s) that benefit lower affordability levels will receive stronger consideration provided they meet conditions outlined below.
- Applications proposing project(s) at lower affordability levels for longer terms of affordability will receive stronger consideration provided they meet conditions outlined below, if applicable.

B. *Supply*

- Number of Supported Affordable Units (SAUs) affordable to household incomes less than 80% AMI. **Applications proposing lower affordability levels will receive stronger consideration.**
- Number of newly constructed SAUs, if applicable
- Number of preserved SAUs, if applicable
- Application demonstrates need for the project
- If project based, commitment period for affordability (30 year minimum with the City having the option to renew)
- If people based, applicant's plan for continuing to provide affordable housing in the future, mechanisms for maintaining affordability over time, mechanisms for helping recipients earn savings via mortgage payments and appreciation sharing, other mechanisms for leveraging funding for future low- income homeowners
- Number of units incorporating Universal Design Standards
- Units incorporating energy efficiency features

C. *Equitable Housing*

- Mechanisms for promoting household equity among low income homeowners

- Populations receiving the benefit of the proposed program
- How funding this project equitably implements City Goals

D. Project Experience, Capacity & Readiness

- Applicant has a demonstrated history of preserving or providing affordable housing and/or SAUs
- Demonstrated organizational financial viability and the financial feasibility of the project
- For already-identified projects, applicant has control of the project site
- For land pursuit and assembly, applicant has a demonstrated history of successful land acquisition and timely development of the land acquired
- Applicant provides detailed descriptions of the planning, design, pursuit and/or construction process
- A project timeline and/or construction schedule is included in the application
- Project includes a public participation process with clear goals and processes for meaningful neighborhood participation, including engagement with and commitment to honor input of directly affected communities and individuals
- For identified projects, regulatory compliance (e.g., zoning, land use, etc.)

E. Budget

- Application includes a listing of all proposed uses and amounts for each use
- Application includes a listing of all current and committed funding sources and amounts from each source
- Applicant provides a detailed description of how CAHF will leverage other funding sources
- CAHF cost per unit

F. Policy

(see following pages for links for more information)

- Project supports one or more of the Housing Goals outlined in the City's Comprehensive Plan (2021)
- Project supports City Council's 2025 Goals for Affordable Housing
- Project supports objectives of the City's Small Area Plans

IX. Application Process and Submission Requirements

Information and Applications for Funding Interest will be published on the Charlottesville Affordable Housing Fund page of the City website: <https://www.charlottesville.gov/679/Charlottesville-Affordable-Housing-Fund>

All applications for funding interest must be received no later than 4:00 PM on Tuesday, January 31, 2023.

Applications must be submitted electronically, in one single file, to the contact information email address listed below. Any application received after the deadline or missing one or more of the required information or documents will be considered incomplete and will not be reviewed or considered.

Only applications completed using the application format included in Exhibit 1, and submitted by

the application deadline, will be accepted. You may request a PDF or Word document version of the application.

It is the applicant's responsibility to insure that the application package is fully completed and received on or before the deadline. **Applications received after the deadline will not be considered.**

Project funding awards are contingent upon approval by the Charlottesville City Council. Awarded project funding must be fully spent within 24 months from the date of the Agreement. All agreements must be executed within three (3) months of approval by the Charlottesville City Council. All unexpended project funding will be reprogrammed.

Contact Information

The Office of Community Solutions will be accepting applications for this application process. If you have any questions, please contact the Office of Community Solutions directly at the contact information listed below.

Brenda Kelley, Redevelopment Manager
Office of Community Solutions
kellybr@charlottesville.gov
(434) 970-3040

Exhibit 1

Application Form for the Charlottesville Affordable Housing Fund (CAHF)



City of Charlottesville
Affordable Housing Fund (CAHF) Application

(all items must be completed)

Applicant Information

Total Amount of CAHF funds requested: \$ _____

Check Tier Applying For	Amount of CAHF funds requested by Tier	Level of Funding	Typical Amount of Funding Available	Households Served
		Tier 1	\$375,000	serving households with incomes up to 30% of Area Median Income (AMI)
		Tier 2	\$225,000	serving households with incomes up to 60% of Area Median Income (AMI)
		Tier 3	\$150,000	serving households with incomes up to 80% of Area Median Income (AMI)

Organization name:

Contact name:

Title:

Organization Address:

Phone:

Email:

Project Information

Project Name:

Project Location:

Purpose of requested funding: (check all that apply)

New Construction

Acquisition

Rehabilitation

Rent Subsidy

Operating/Administration

Other: _____

Project type: (check all that apply)

Multi-family

Single family (detached)

Single family (attached)

Rehabilitation

New Construction

Acquisition

Other: _____

Income restrictions on project (indicate number of units meeting each Area Median Income (AMI) category):

- _____ Incomes less than 30% AMI
- _____ Incomes between 30% and 40% AMI
- _____ Incomes between 40% and 50% AMI
- _____ Incomes between 50% and 60% AMI
- _____ Incomes between 60% and 80% AMI
- _____ Unrestricted units (>80% AMI)
- _____ Total Units

Term of Affordability (indicate number of units meeting each affordability term):

- _____ less than 2 years
- _____ 2 - 5 years
- _____ 5 - 10 years
- _____ 10 - 15 years
- _____ 15 - 20 years
- _____ 20 - 30 years
- _____ more than 30 years
- _____ Total Units

Project Proposal:

Please provide following information as separate attachments to the application:

- a. **Project Description** -- Provide a description of the proposed project. Include: project type and location, short and long term goals, the population(s) to be served. Discuss plans for accessibility/adaptability, energy conservation and/or any green building components.
- b. **Demonstration of Need** -- Describe how the project contributes to the City of Charlottesville's housing goals.
- c. **Demonstration of Equity** – Describe how this project demonstrates and promotes equitable housing needs and economic opportunity for low-income residents in the City of Charlottesville.
- d. **Project Readiness** -- Provide evidence of: organizational experience and capacity to manage the project; pursue and acquire land, site control, required zoning variance and permitting (if applicable); financial commitments for the projects; community engagement plan (if applicable); resident relocation plan (if applicable); plans for preparation and coordination of necessary public meetings (if applicable).
- e. **Project Budget** -- Provide a detailed description of the proposed project budget showing sources and uses and amounts of additional funding.
- f. **Project Schedule** -- Indicate the proposed project schedule; timing of completed SAUs; pre- development, anticipated pursuit and acquisition timeline, site control, zoning approval, financing and construction milestones (if applicable) to project completion.
- g. **Experience** -- Provide a summary of similar activities completed by the organization and project team.
- h. **Capacity** – Provide a detailed description to demonstrate the applicant’s ability to complete this project within 24 months.
- i. **Metrics** – Provide a detailed description of the metrics used to measure success.

Authorization:

Organization Name: _____

Project Title: _____

I, _____ certify that I am authorized to
(Authorized Organization Official)

apply for funding from the City of Charlottesville. I certify that all information contained herein is accurate to the best of my knowledge.

Signature Date

Print Name Title

Exhibit 2

CAHF Application Timeline

(Please note: Dates of approval and award may change. It is the applicant's responsibility to confirm approval and award dates.)

NOFA Posted

- January 3, 2023

Applications Due

- 4:00 PM (EST), January 31, 2023

Applications Review

- February 2023 – March 2023

City Council Approval

- March 2023 – April 2023

Award Notices

- By April 28, 2023

Exhibit 3

City of Charlottesville Affordable Housing Resources

City of Charlottesville 2025 Goals for Affordable Housing

<http://www.charlottesville.org/home/showdocument?id=24716>

Achieve a minimum 15% supported affordable housing throughout the City by 2025.

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

City of Charlottesville Small Area Plans

<https://www.charlottesville.gov/272/Plans-in-Development-Review>

<https://www.charlottesville.gov/270/Approved-Plans>