



# Albemarle County

## Legislation Text

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**File #:** 24-289, **Version:** 1

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**AGENDA DATE:** 6/5/2024

**TITLE:**

Recommendations for the Affordable Housing Investment Fund

**SUBJECT/PROPOSAL/REQUEST:** Consideration of proposed uses of the Affordable Housing Investment Fund to support the Southwood Redevelopment Project Phase II.

**ITEM TYPE:** Regular Action Item

**STAFF CONTACT(S):** Richardson, Rosenberg, Curfman, Dimock, Pethia

**PRESENTER (S):** Stacy Pethia, Assistant Director of Housing

**LEGAL REVIEW:** Yes

**REVIEWED BY:** Jeffrey B. Richardson

**BACKGROUND:** Since Fiscal Year 2019, Albemarle County has maintained a Housing Fund to support housing initiatives that further the County's strategic and housing goals, which were adopted by the Board on July 7, 2021.

In October 2016, Albemarle County and Habitat for Humanity of Greater Charlottesville entered into a public-private partnership for the redevelopment of the Southwood Mobile Home Village. Since that time, the County has invested more than \$9 million in the redevelopment project, including \$1,050,000 in Community Development Block Grant funds, \$675,000 to support the rezoning application, \$3,200,000 in county revenue and property tax rebates through the 2019 Performance Agreement, and \$1,500,000 to support the long-term (30-year) affordability of 14 units of affordable housing.

During the FY 2025 non-profit funding application process, Habitat submitted a request for \$1.49 million Capital Improvement Program funding for the Southwood Phase II Redevelopment: Sewer/Septic Improvement project (Attachment A).

On February 28, 2024, the U.S. Department of Housing and Urban Development (HUD) released a Notice of Funding Availability entitled the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Competition. Habitat is actively pursuing grant funding of up to \$54 million through the grants two funding streams. One of the funding streams, the PRICE Replacement Pilot, requires a match of non-federal funds equal to at least 50 percent of the grant award. Habitat is seeking \$10 million under the PRICE Replacement Pilot grant.

On May 10, 2024, Habitat submitted a written request for a portion of those matching funds. The request includes utilizing the recommended \$1.4 million of the CIP request, and an additional \$1.5 million from the Housing Fund Reserve for the required funding match (Attachment B).

**STRATEGIC PLAN:** Quality of Life: Encourage a vibrant community with economic and recreational

opportunities that serve all community members.

**DISCUSSION:** After reviewing both funding requests, and based on discussions with the Office of Finance and Budget, staff recommends funding both requests through the FY 2025 Affordable Housing Investment Fund balance in the following amounts:

1. Southwood Phase II: Sewer/Septic Improvement project: \$1,400,000
2. PRICE Replacement Pilot: \$1,100,000

Approval of these funds will provide Habitat with \$2,500,000 in confirmed matching grant funds for the HUD PRICE Replacement Pilot grant application. Disbursement of \$1.1 million dollar match funding will be contingent upon Habitat being awarded grant funding.

**BUDGET IMPACT:** If approved, the Affordable Housing Investment Fund balance will be reduced by a total of \$2,500,000 from the unprogrammed fund balance of \$2,593,910. If approved, the Affordable Housing Investment Fund would have an available balance of \$93,910 that can be used to support other housing projects. Approval of the allocation of these funds is contingent upon subsequent Board approval of the related appropriation also on the June 5, 2024, agenda.

**RECOMMENDATION:**

Staff recommends that the Board approve the funding requests from Habitat for Humanity of Greater Charlottesville.

**ATTACHMENTS:**

- A - Southwood Phase II Redevelopment: Sewer/Septic Improvement project CIP application
- B - Request for grant matching funds