



City of Charlottesville

CDBG & HOME Programs

Program Year 2025-2026

City Council Public Hearing
Monday, April 21, 2025

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HUD National Objectives

The authorizing statute of the HUD-funded programs requires that each activity funded (except for program administration and planning activities) meet one of HUD's three national objectives:

- **Benefit to low-and moderate-income (LMI) persons;**
- **Aid in the prevention or elimination of slums or blight; and**
- **Meet a need having a particular urgency (referred to as urgent need)**

- HUD national objectives are guided by three primary principles:
 - Establish and maintain thriving living environments through activities designed to benefit families, individuals, and the greater Charlottesville community
 - Create economic opportunities through activities related to economic development, commercial revitalization, or job creation
 - Provide decent housing through activities focusing on housing programs where the purpose of the activity meets individual, family, or community needs

Appendix B NATIONAL OBJECTIVE CODES		
The national objective codes (NOCs) are listed below with descriptions and applicable CFR citations. The NOCs that may be used with each matrix code are identified in Appendix C.		
NOC	Description	24 CFR Citation
LMA	Low/mod area benefit Activities providing benefits that are available to all the residents of a particular area, at least 51% of whom are low/mod income. The service area of an LMA activity is identified by the grantee, and need not coincide with Census tracts or other officially recognized boundaries.	570.208(a)(1)
LMAFI	Low/mod area benefit, community development financial institution (CDFI) Job creation and retention activities that are carried out by a CDFI and that the grantee elects to consider as meeting the low/mod area benefit criteria.	570.208(d)(6)(i)
LMASA	Low/mod area benefit, neighborhood revitalization strategy area (NRSA) Job creation and retention activities that are carried out pursuant to a HUD-approved Neighborhood Revitalization Strategy (NRS) and that the grantee elects to consider as meeting the low/mod area benefit criteria.	570.208(d)(5)(i)
LMC	Low/mod limited clientele benefit Activities that benefit a limited clientele, at least 51% of whom are low/mod income. LMC activities provide benefits to a specific group of persons rather than to all the residents of a particular area.	570.208(a)(2)
LMCMC	Low/mod limited clientele, micro-enterprises Activities carried out under 24 CFR 570.201(e) that benefit micro-enterprise owners/developers who are low/mod income.	570.208(a)(2)(iii)
LMCSV	Low/mod limited clientele, job service benefit Activities that provide job training, placement and/or employment support services in which the percentage of low/mod persons assisted is less than 51%, but the proportion of the total cost paid by CDBG does not exceed the proportion of the total number of persons assisted who are low/mod.	570.208(a)(2)(iv)
LMH	Low/mod housing benefit Activities undertaken to provide or improve permanent residential structures that will be occupied by low/mod income households.	570.208(a)(3)

Available online at www.hudexchange.info/resource/2555/national-objective-code-descriptions/



City Council Priorities

With the goal of fostering a high degree of responsiveness to local needs, City Council each year establishes a set of local priorities for the CDBG program

Council priorities are discussed at open public meetings and published as a formal resolution each year



- For the upcoming program year 2024-25, City Council has established the following priorities in Resolution #R-23-121
- Council resolutions can be found in the city's Laserfiche Archive online at:
<https://weblink.charlottesville.org/public/browse.aspx?dbid=0>
- You can also email me for a copy

#R-24-115

Resolution to Establish Council Priorities for the Program Year 2025-2026 Community Development Block Grant (CDBG) & HOME Investment Partnerships (HOME) Programs

WHEREAS the City of Charlottesville has been designated as an Entitlement Community by the United States Department of Housing and Urban Development (HUD) and as such is a recipient of federal funds through the Community Development Block Grant (CDBG) & HOME Investment Partnerships (HOME) programs, and

WHEREAS the City is a contributing member of the Thomas Jefferson HOME Consortium (TJHC) in partnership with the counties of Albemarle, Fluvanna, Greene, Louisa and Nelson, and through the Consortium shares in the benefits of participation in HUD's HOME program, and

WHEREAS in accordance with the City of Charlottesville's HUD-approved Citizen Participation Plan, the city's CDBG/HOME Task Force composed of residents and community representatives will be called on to review requests for funding of potential CDBG & HOME projects and to make recommendations for funding to Council in the Spring of 2025; now

THEREFORE BE IT RESOLVED by the City Council of Charlottesville, Virginia, that the Program Year 2025-2026 CDBG & HOME programs (PY25) shall prioritize to the degree possible:

- A continued emphasis on expanding access to affordable housing opportunities, including but not limited to low-income housing redevelopment; workforce development, including but not limited to efforts to bolster Section 3 training opportunities other economic development activities; microenterprise assistance; access to quality childcare; homeowner rehabilitation and energy-efficiency upgrades; down payment assistance; and improvements to public infrastructure designed to eliminate or reduce barriers to access to public amenities for mobility-impaired residents
- For program year 2025-2026, \$89,896.51 of CDBG Entitlement funds shall be set aside to support Economic Development activities
- For program year 2025-2026, \$89,896.51 of CDBG Entitlement funds shall be set aside to support Public Facilities and Improvement activities, with a special emphasis on activities that will eliminate or reduce barriers to access for mobility-impaired residents
- The CDBG Admin and Planning budget shall be set at 20% of the City's CDBG allocation
- Any other guidelines or directions Council may wish to give in determining how CDBG and HOME funds should be spent

	<u>Aye</u>	<u>No</u>
Oschrin	x	_____
Payne	x	_____
Pinkston	x	_____
Snook	x	_____
Wade	x	_____

Approved by Council
September 3, 2024

Kyna Thomas

Kyna Thomas, MMC
Clerk of Council

CDBG Eligible Activities

HUD's authorizing statutes require that CDBG-funded activities meet the definition of specific eligible activities, each of which is referred to by a specific 'matrix code'

- Matrix codes for eligible activities under CDBG fall into specific categories
- Charlottesville focuses it's CDBG funds on four of these categories:
 - Economic Development
 - Public Facilities & Infrastructure
 - Public Services
 - Housing
- HUD caps funding for Public Services activities at 15% of the total allocation for a given year

Appendix A CDBG MATRIX CODES

CDBG Matrix Codes by Category

Matrix codes are listed here by category so you can quickly review the available choices.

Acquisition, Disposition, Clearance, Relocation

01 Acquisition of Real Property	04A Cleanup of Contaminated Sites
02 Disposition of Real Property	08 Relocation
04 Clearance and Demolition	

Administration and Planning

20 Planning	21E Submission of Applications for Federal Programs
20A Planning (State-Administered CDBG Grantees)	21H CDBG Funding of HOME Admin
21A General Program Administration	21I CDBG Funding of HOME CHDO Operating Expenses
21B Indirect Costs	21J State Administration
21C Public Information	14H Rehab: Administration
21D Fair Housing Activities (subject to Admin cap)	

Economic Development

14E Rehab: Publicly or Privately Owned Commercial/Industrial (CI)	17D CI: Other Improvements
17A CI: Acquisition/Disposition	18A ED: Direct Financial Assistance to For-Profits
17B CI: Infrastructure Development	18B ED: Technical Assistance
17C CI: Building Acquisition, Construction, Rehabilitation	18C ED: Micro-Enterprise Assistance

Housing

12 Construction of Housing	14G Rehab: Acquisition
13 Direct Homeownership Assistance	14H Rehab: Administration
14A Rehab: Single-Unit Residential	14I Lead-Based Paint/Lead Hazards Testing/Abatement
14B Rehab: Multi-Unit Residential	14J Housing Services
14C Rehab: Public Housing Modernization	16A Residential Historic Preservation
14D Rehab: Other Publicly Owned Residential Buildings	19E Operation/Repair of Foreclosed Property
14F Rehab: Energy Efficiency Improvements	

Public Facilities and Infrastructure Improvements

03A Senior Centers	03L Sidewalks
03B Handicapped Centers	03M Child Care Centers
03C Homeless Facilities (not operating costs)	03N Tree Planting
03D Youth Centers	03O Fire Stations/Equipment
03E Neighborhood Facilities	03P Health Facilities
03F Parks, Recreational Facilities	03Q Facilities for Abused and Neglected Children
03G Parking Facilities	03R Asbestos Removal
03H Solid Waste Disposal Improvements	03S Facilities for AIDS Patients (not operating costs)
03I Flood Drainage Improvements	03 Other Public Facilities/Improvements
03J Water/Sewer Improvements	
03K Street Improvements	

Available online at
www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/



HOME Eligible Activities

HUD's authorizing statutes require that CDBG-funded activities meet the definition of specific eligible activities, each of which is referred to by a specific 'matrix code'



HOME has four main eligible activities:

- Homeowner (owner-occupied) rehabilitation
- Rental housing acquisition, new construction, or rehabilitation
- Homebuyer housing acquisition, new construction, or rehabilitation, including direct assistance to eligible homebuyers to purchase the housing
- Tenant-based rental assistance (rental subsidy)

24 CFR 92.205 (up to date as of 4/03/2025)
Eligible activities: General.

24 CFR 92.205 (Apr. 3, 2025)

This content is from the eCFR and is authoritative but unofficial.

Title 24 — Housing and Urban Development
Subtitle A — Office of the Secretary, Department of Housing and Urban Development
Part 92 — Home Investment Partnerships Program
Subpart E — Program Requirements
Eligible and Prohibited Activities
Authority: 42 U.S.C. 3535(d) and 12701 – 12839; 12 U.S.C. 1701x.
Source: 61 FR 48750, Sept. 10, 1996, unless otherwise noted.

§ 92.205 Eligible activities: General.

Link to an amendment published at 90 FR 867, Jan. 6, 2025.

This amendment was delayed until April 20, 2025, at 90 FR 8780, Feb. 3, 2025.

(a) *Eligible activities.*

(1) HOME funds may be used by a participating jurisdiction to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of nonluxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; to provide tenant-based rental assistance, including security deposits; to provide payment of reasonable administrative and planning costs; and to provide for the payment of operating expenses of community housing development organizations. The housing must be permanent or transitional housing. The specific eligible costs for these activities are set forth in §§ 92.206 through 92.209. The activities and costs are eligible only if the housing meets the property standards in § 92.251 upon project completion.

(2) Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing within the time frames established in paragraph (2) of the definition of "commitment" in § 92.2.

(3) Conversion of an existing structure to affordable housing is rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction for purposes of this part.

(4) *Manufactured housing.* HOME funds may be used to purchase and/or rehabilitate a manufactured housing unit, or purchase the land upon which a manufactured housing unit is located. Except for existing, owner-occupied manufactured housing that is rehabilitated with HOME funds, the manufactured housing unit must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or

Available online at
<https://www.ecfr.gov/current/title-24/subtitle-A/part-92/subpart-E/subject-group-ECFRf448ea7bbdfb69a?toc=1>

Overview of Funding Request Received for PY25

*Summary of PY25
applications received for
program year 2025-26*



SUMMARY OF CDBG & HOME REQUESTS FOR FUNDING PY25

Anticipated PY25 Funding from HUD*

Anticipated PY25 for CDBG	\$ 438,617.00
Anticipated PY25 for HOME	\$ 83,016.66

Subtotal Available to Commit: \$521,633.66

Actual

Programmatic Funding & Setasides

CDBG Planning & Admin	\$ 87,723.40
Public Services Cap @ 15%	\$ 65,792.55
Council Priority: Public Facilities & Imprv.	\$ 89,896.51
Council Priority: Economic Dev.	\$ 89,896.51
HOME Program Local Match @ 25% (CAHF)*	\$ 20,754.17

CDBG Economic Development

Request \$

CIC Entrepreneur Programs	\$ 25,000
LVCA Beginning Workforce Development	\$ 50,000

Subtotal CDBG requests, Econ Dev: \$75,000

CDBG Public Facilities & Infrastructure Improvements

Request \$

Arc of the Piedmont Shower Replacement at Shamrock Group Home	\$ 20,500
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Subtotal CDBG requests, Public Facilities: \$20,500

CDBG Public Service Programs

Request \$

CRHA Economic Opportunity Program (Phase II)	\$ 90,600
CRHA Eviction Diversion Program	\$ 50,000
IRC Charlottesville Financial Capabilities	\$ 46,636
PACEM Shelter Transportation	\$ 60,000
PHA Financial Opportunity Center (FOC) Credit Club	\$ 30,000
PHAR Resident-Involved Redevelopment	\$ 42,000
The Haven Coordination of Community Service Providers	\$ 50,000

Subtotal CDBG requests, Public Services: \$369,236

CDBG Affordable Housing

Request \$

AHIP Charlottesville Critical Home Rehab	\$ 140,000
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Subtotal CDBG requests, Affordable Housing: \$140,000

HOME Investment Partnerships

Request \$

CRHA 5th Street AH	\$ 144,500
CRHA Downtown AH	\$ 175,000
PHA 905 Rives St. Townhomes AH	\$ 89,688

Subtotal requests HOME: \$409,188

* Estimated based on PY24 HUD allocations

** revised 3/31 based on HUD
guidance

Draft Funding Recommendations PY25

Draft funding recommendations from the CDBG/HOME Taskforce for program year 2025-26, based on the amounts allocated for program year 2024-25



SUMMARY OF CDBG & HOME REQUESTS FOR FUNDING PY25 **INITIAL**

Anticipated PY25 Funding from HUD*

Anticipated PY25 for CDBG	\$ 438,617.00
Anticipated PY25 for HOME	\$ 83,016.66
Subtotal Available to Commit: \$521,633.66	

Programmatic Funding & Setasides

CDBG Planning & Admin	\$ 87,723.40
Public Services Cap @ 15%	\$ 65,792.55
Council Priority: Public Facilities & Imprv.	\$ 89,896.51
Council Priority: Economic Dev.	\$ 89,896.51
HOME Program Local Match @ 25% (CAHF)*	\$ 20,754.17

CDBG Economic Development	Recommendation \$	%	decimal
CIC Entrepreneur Programs	\$ 25,000.00	5.70%	0.05699733
LVCA Beginning Workforce Development	\$ 50,000.00	11.40%	0.11399467
Subtotal CDBG recommendations, Econ Dev:		\$75,000	

CDBG Public Facilities & Infrastructure Improvements	Recommendation \$	%	decimal
Arc of the Piedmont Shower Replacement at Shamrock Group Home	\$ 20,500.0	4.67%	0.04673781
Subtotal CDBG recommendations, Public Facilities:		\$20,500	

CDBG Public Services Activities	Recommendation \$	%	decimal
CRHA Economic Opportunity Program (Phase II)	\$ -	0.00%	-
CRHA Eviction Diversion Program	\$ -	0.00%	-
IRC Charlottesville Financial Capabilities	\$ -	0.00%	-
PACEM Shelter Transportation	\$ -	0.00%	-
PHA Financial Opportunity Center (FOC) Credit Club	\$ 21,342.00	4.87%	0.04865748
PHAR Resident-Involved Redevelopment	\$ 22,618.55	5.16%	0.05156788
The Haven Coordination of Community Service Providers	\$ 21,832.00	4.98%	0.04977463
Subtotal CDBG recommendations, Public Services:		\$65,793	

CDBG Affordable Housing	Recommendation \$	%	decimal
AHIP Charlottesville Critical Home Rehab	\$ 140,000.0	31.92%	0.31918507
Subtotal CDBG recommendations, Affordable Housing:		\$140,000	

HOME Investment Partnerships	Recommendation \$	%	decimal
CRHA 5th Street AH	\$ -	0.00%	-
CRHA Downtown AH	\$ -	0.00%	-
PHA 905 Rives St. Townhomes AH	\$ 83,016.7	100.00%	1.00000000
Subtotal recommendations HOME:		\$83,017	

* Estimated based on PY24 HUD allocations

Draft / Proposed

Draft Funding Recommendations Scenario PY25

Projected funding recommendations for program year 2025-26 based on actual funding allocations from HUD below that awarded in previous 2024-25 program year



CDBG & HOME REQUESTS FOR FUNDING PY25 (BY DECIMAL - ESTIMATED)

Recommended by CDBG/HOME Taskforce: Tuesday, April 1, 2025

Taskforce Chair: Phil d'Oronzio Vice-Chair: Syleethia Carr

Actual PY25 Funding from HUD*

Actual PY25 for CDBG	\$ 300,000.00
Actual PY25 for HOME	\$ 83,016.66

Subtotal Available to Commit: \$383,016.66

Programmatic Funding & Setasides

CDBG Planning & Admin	\$ 60,000.00
Public Services Cap @ 15%	\$ 45,000.00
Council Priority: Public Facilities & Imprv.	\$ 89,896.51
Council Priority: Economic Dev.	\$ 89,896.51
HOME Program Local Match @ 25% (CAHF)*	\$ 20,754.17

CDBG Economic Development

	Recommendation \$	decimal
CIC Entrepreneur Programs	\$ 17,099.2	0.05699733
LVCA Beginning Workforce Development	\$ 34,198.4	0.11399467

Subtotal CDBG recommendations, Econ Dev: \$51,298

CDBG Public Facilities & Infrastructure Improvements

	Recommendation \$	decimal
Arc of the Piedmont Shower Replacement at Shamrock Group Home	\$ 14,021.3	0.04673781

Subtotal CDBG recommendations, Public Facilities: \$14,021

CDBG Public Service Programs

	Recommendation \$	decimal
CRHA Economic Opportunity Program (Phase II)	\$ -	-
CRHA Eviction Diversion Program	\$ -	-
IRC Charlottesville Financial Capabilities	\$ -	-
PACEM Shelter Transportation	\$ -	-
PHA Financial Opportunity Center (FOC) Credit Club	\$ 14,597.25	0.04865748
PHAR Resident-Involved Redevelopment	\$ 15,470.36	0.05156788
The Haven Coordination of Community Service Providers	\$ 14,932.39	0.04977463

Subtotal CDBG recommendations, Public Services: \$45,000

CDBG Affordable Housing

	Recommendation \$	decimal
AHIP Charlottesville Critical Home Rehab	\$ 95,755.52	0.31918507

Subtotal CDBG recommendations, Affordable Housing: \$95,756

HOME Investment Partnerships

	Recommendation \$	decimal
CRHA 5th Street AH	\$ -	-
CRHA Downtown AH	\$ -	-
PHA 905 Rives St. Townhomes AH	\$ 83,016.66	1.00000000

Subtotal requests HOME: \$83,017

* Estimated based on hypothetical HUD allocations

** Final funding amounts to be calculated upon receipt of official notice from HUD

Financial Modelling Scenario #1:

Proposed awards if HUD funding for PY25 CDBG activities reduced to \$300,000

Thank You for your interest in the City of Charlottesville's CDBG & HOME programs!

For more information, please visit the city's CDBG & HOME webpage at <https://www.charlottesville.gov/678/CDBG-HOME-Programs>

Please also feel free to email Anthony at warna@charlottesville.gov and Taylor at harveyryant@charlottesville.gov

