



Charlottesville

FY27 BUDGET BRIEF **Affordable Housing**

December 15, 2025

FY27 BUDGET DRIVERS

- Transportation
- Affordable Housing
- City Schools



FY27 BUDGET DRIVERS

- Transportation
- Affordable Housing
- Public Safety
- City Schools – *To Be Determined*



Production: Charlottesville Redevelopment & Housing Authority

Under Construction

- South First Street Phase 2
 - \$6,000,000
 - 113 units
- Sixth Street Phase 1
 - \$3,000,000
 - 47 units

Planning

- Westhaven
 - \$15,000,000 Committed
 - 354 units



Production: Piedmont Housing Alliance

Under Construction

- Kindlewood Phase 2
 - 106 units

Planning

- 1025 Park St/MACAA
 - \$3,770,000
 - 86 units
- 1200 Park St/PSCC
 - \$2,250,000
 - 50 units

Planning continued

- 501 Cherry Ave
 - \$3,150,000
 - 71 units
- Kindlewood Phase 3
 - \$4,150,000
 - 85 units



Production: Private Not-for-Profit

Under Construction

- Vista 29 (SupportWorks Housing)
 - \$936,000
 - 80 units
 - Permanent supportive housing

Planning

- Carlton Mobile Home Park (Habitat for Humanity & PHA)
 - \$8,700,000 (Total Acquisition + Loan Servicing)
 - Replacement of 60 existing units



Production: New Development Inquiries

RFI Submissions

Community Services Housing

- LIHTC rehab of multifamily housing serving persons with disabilities
- \$900,000 requested
- \$22,500 per affordable unit
- 40 units total
 - 20 @ 40-50% AMI
 - 20 @ 60% AMI

Brick Lane Better Communities

- Hotel to mixed income multifamily conversion
- \$1,750,000 requested
- \$13,780 per affordable unit
- 192 units total
 - 19 units @ 60% AMI
 - 108 @ 80% AMI
 - 19 @ 120% AMI
 - 46 @ market rate

Preservation of Affordable Housing

- 100% affordable new construction apartment building
- \$3,000,000 requested
- \$17,647 per affordable unit
- 170 units total
 - 170 units at 60% AMI

In 2026, staff will prepare recommendations for process refinements:

- funding targets established during annual CIP budget process, with consideration for in-lieu fee payments received in the prior year
- evaluation criteria to consider requests
- dedicated timeframes for public review



Production: Separate Request

501 Cherry

- \$700,000 requested (in addition to \$1 million performance grant)
- Gap funding to support goal of building grocery store without financing



Production: Separate Request

Kindlewood Phase 4

- \$4,500,000 currently committed in CIP
- \$3,000,000 funding gap to produce committed units
 - 131 units in Phase 4
 - 425 total for all phases (committed to range of 425-475 units)
- With no additional funding, modification to agreement needed to reduce minimum required units from 425 to 388
- A work session is tentatively for January to consider how to move forward



Production: Affordable Housing Fund

\$1.5 million annual contribution from CIP

- CAHF Grant Program
 - \$823,000
 - 50 units to be preserved and or created for FY25 program
- Housing Operations and Program Support (HOPS) Grant Program
 - \$575,000
 - 2,806 beneficiaries to be served through FY26 program
 - Resident support services
 - Homelessness services
 - Homeownership programs
 - Rehabilitation case management
- Administrative expenses
 - \$100,000 requested for FY27 for legal support and additional policy studies
 - FY26- Professional fees to support tax abatement study and ADU manual updates



Preservation: “Strike Fund”

- Silk Purse Portfolio
- LIHTC Units Expiring in 2026
 - Hearthwood- 200 units
 - Mallside Forest- 160 units



Intervention: Homelessness

Key Community Partners

- Blue Ridge Area Coalition for the Homeless (BRACH)
- The Haven
- PACEM
- Salvation Army

Ways the City Activates

- Financial Investments
 - HOPS Program (NDS)
 - Storage POD Unit (Chief Prosperity Officer)
 - New duffel bags & toiletry kits (Chief Prosperity Officer)
- Collaboration
 - City serves as grant pass-through for HUD funds
 - Staff participate on key nonprofit boards - BRACH
 - Staff participate in COC meetings – OHR, HTH, DHS
- Programmatic
 - While no direct traditional homeless services, the Chief Prosperity Officer's Home to Hope program does support many unsheltered community members



Intervention: Homelessness

Internal Direct Supportive Programing

- Home to Hope Re-Entry Program: The Home to Hope Program provides supportive services for members of the Charlottesville community who are coming home from being justice-involved.
 - Many participants are homeless – and the program provides them with unduplicated supportive services such as application fee support, first month's rent, and other supports such as groceries.
 - 35% of recent intakes identify as being literally homeless (living outside, living in a car)
 - 6% reside in emergency shelter (PACEM, Salvation Army, SHE, etc.)
 - 6% in Transitional Housing (Oxford House, Keys to Love, etc.)
 - 22% live with family and friends which can result in homelessness due to conflicts, etc.



Intervention: Rental Assistance

DEPARTMENT OF HUMAN SERVICES

- Community Resource Hotline:** Provides rental, mortgage, and utility bill assistance to eligible households in Charlottesville who are working to **remain** in their homes.
 - Community members may call the hotline Monday-Friday from 9a-5p at 1-833-524-2904 (Spanish Line: 434-373-0930)
 - Website:** <https://www.charlottesville.gov/1099/Community-Resource-Hotline>
- Housing Navigation:** Housing Navigation is a service provided by the Department of Human Services that assists City residents to access and secure stable and affordable housing.
 - Services provided may include (based on community member need): Case management, identifying housing leads based on income, warm/hot handoffs to other partners for resources, housewarming baskets for newly leased residents in the program, and access to a free 8-week healthy living/budgeting class.

COMMISSIONER OF REVENUE

- Rental Relief for the Elderly and Disabled:** The Commissioners program provides payment of grants to qualified tenants residing in the city who are 65+ or are permanently and totally disabled due to the costs they may be burdened with to continue to reside in their rental homes.
 - Eligible Community Members must earn 50% or less of AMI and the full net financial worth of all who live in the rental home or unit may not exceed \$125,000 total.
 - Applications typically open in March and run through May of the submission year.
 - More information can be found on the Commissioner's Website at <https://www.charlottesville.gov/192/Rent-Relief>



Intervention: Rental Assistance

- Kindlewood intervention
 - Rising rental payment delinquencies indicative of larger trend
 - \$305,000 requested for pilot program
 - \$75,000 for financial coaches
 - \$220,000 for matching payments toward arrears
- CSRAP
 - \$900,000 annually
 - Serving 68 households at or below 30% AMI
 - Program evaluation planned for 2026
- Additional discussion and consideration at citywide scale is needed to identify additional intervention for rental delinquencies



Intervention: Tax Relief

Real Estate Tax Relief for the Elderly or Disabled – Provided for in the Tax Code of Virginia, most Virginia localities have some version of this program. It is designed to provide real estate tax relief to elderly or disabled homeowners of low- to moderate-income.

Qualifications:

- 65 years of age or older or permanently and totally disabled;
- Income requirements adjust annually in conjunction with changes to Area Median Family Income (MFI);
- Applicants need apply only every three years, with a simple annual recertification in the off years.

Grants are awarded in four tiers, depending on adjusted gross income: 100%, 80%, 60%, 40%

CY2025 RETR Program Summary		
Applicants	# Qualified	Grant Amounts
Elderly	486	\$1,867,572.49
Disabled	32	\$98,637.59
	518	\$1,966,210.08



Intervention: Tax Relief

Rent Relief for the Elderly or Disabled – Authorized under the Social Services section of City Code, this program provides grants to low- and moderate-income renters to help offset a portion of their out-of-pocket rent expenses. While not technically a tax relief program, the genesis of this program was meant to offset some of the indirect real estate tax burden borne by renters. Charlottesville is the only locality in the Commonwealth with a program of its kind.

Qualifications:

- Applicant paid rent in the city during the prior year and was a resident of the city on December 31st;
- Applicant or their spouse is sixty-five (65) years of age or older, or permanently and totally disabled;
- Dwelling was occupied as of December 31st as the sole dwelling place of the applicant;
- Income requirements adjust annually in conjunction with changes to Area Median Family Income (MFI);
- The net combined financial worth of the applicant and household relatives does not exceed \$125,000.

Relief formula helps offset a portion of out-of-pocket rent expenses.

Maximum grant is \$2,000.



CY2025 RENT Program Summary

Applicants	# Qualified	Grant Amounts
Elderly	92	\$69,740.83
Disabled	114	\$65,025.41
	206	\$134,766.24

Intervention: Tax Relief

Charlottesville Homeowner Affordability Program (CHAP) – Also authorized under the Social Services section of City Code, this program is designed to provide grants to low to moderate income homeowners to help offset the costs of owning a home. Though not explicitly a “tax relief” program, CHAP grants are applied against a recipient’s real estate tax liability before any remaining funds are distributed to the recipient. This is another local program that is the only one of its kind in the State.

Qualifications:

- Applicant must be a legal owner AND reside in the residential property as of January 1 of the current year;
- Applicant, applicant’s spouse, any co-owner residing in the home cannot own any other real estate;
- Assessed value of applicant’s home cannot exceed average assessed value of all residential parcels in the City;
- Income requirements adjust annually in conjunction (MFI).

Potential Grant Amounts: \$1,000
\$1,500
\$2,000
\$2,500



CY2025 CHAP Program Summary

Grant Tier	# Qualified	Grant Amounts
\$1,000	31	\$31,000
\$1,500	46	\$69,000
\$2,000	74	\$148,000
\$2,500	145	\$362,500
	317	\$610,500

Intervention: Tax Relief

Real Estate Tax Exemption for Disabled Veterans or Their Surviving Spouses – The Code of Virginia exempts from taxation the principal residence of a veteran of the armed forces of the United States with a one hundred percent service-connected, permanent, and total disability. In addition, the surviving spouse of an eligible veteran also qualifies for the exemption.

Qualifications for Disabled Veteran:

- Veteran must have been rated by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law to have a 100% service-connected, permanent, and total disability;
- Real Estate must be owned (solely or jointly) by veteran;
- Real Estate must be occupied by veteran as his/her primary place of residence.

Qualifications for Surviving Spouse:

- The death of the veteran must have occurred on or after January 1, 2011;
- Surviving spouse does not remarry;
- No restriction on surviving spouse moving to a different principal place of residence within the Commonwealth of Virginia.



CY2025 Veterans Tax Relief Summary

# Disabled Veterans/Spouses	Tax Relieved
39	\$222,221.64

Intervention: Tax Relief

Real Estate Tax Exemption for a Surviving Spouse of a Member of the Armed Forces Who Died in the Line of Duty –
The Constitution of Virginia exempts from taxation the principal residence of the surviving spouse of a member of the armed forces of the United States who died in the line of duty (including as a result of suicide) as long as the spouse does not remarry.

Qualifications for Surviving Spouse:

- Service member of the United States Armed Forces who died in the line of duty and received an official Line of Duty determination from the Department of Defense on or after January 1, 2015;
- If the surviving spouse acquires the property after January 1, 2015, then the exemption shall begin on the date of acquisition;
- Surviving spouse does not remarry;
- No restriction on surviving spouse moving to a different principal place of residence within the Commonwealth of Virginia.

CY2025 Surviving Spouse (Line of Duty) Tax Relief Summary

# Surviving Spouses	Tax Relieved
0	\$0



CITY COUNCIL – SCHOOL BOARD
Joint Budget Meeting
December 18, 2025



CITY MANAGER'S
Community Budget Series
January 13 -15, 2026



CITY MANAGER'S Budget Presentation

March 2, 2026



BUDGET ADOPTION

April 9, 2026





Charlottesville