



CITY OF HARRISONBURG
OFFICE OF THE
CITY MANAGER

HARRISONBURG CITY HALL
409 SOUTH MAIN STREET, HARRISONBURG, VA 22801
OFFICE (540) 432-7701 • FAX (540) 432-7778

To: Ande Banks, City Manager
From: Liz Webb, Housing Coordinator
Date: December 5, 2023
Re: Recommended ARPA Housing Development Fund Awards

Summary:

Harrisonburg City Council previously created a Housing Development Fund with \$2 million from ARPA State and Local Fiscal Recovery Funds. After creating and publicizing a Notice of Funding Opportunity (NOFO), staff received funding requests from a number of developers for housing projects. These were reviewed and evaluated by a committee. Funding recommendations are based on criteria detailed in the NOFO, which prioritize projects anticipated to bring affordable housing units online successfully and swiftly, while meeting the community's most urgent needs.

Background:

Expanding accessible, affordable housing was identified as one of five investment priority areas for the City of Harrisonburg's use of ARPA funds. Accordingly, as part of its total \$23,834,000 ARPA allocation, City Council authorized \$2 million for a housing development fund. Staff developed a NOFO and received applications, which were evaluated by a committee comprised of staff and external partners with expertise in development, finance, project management, and affordable housing. Several projects not eligible based on ARPA and local criteria were removed from consideration, and remaining applications were scored based on the following factors: experience, capacity, timeline, budget, site readiness, consistency with identified housing needs, contribution to affordable housing, effective leveraging, use of funds, innovative project design, and community engagement. The committee recommends funding the following projects:

- **Suter Street (Habitat for Humanity): \$700,000**
 - 11 units (3BR and 4BR duplexes and triplex)
 - For sale to 60% AMI and below
 - 20 to 30 year affordability
 - Construction is underway

- **Commerce Village II Annex (Harrisonburg Redevelopment & Housing Authority): \$1,300,000**
 - 16 units (1BR multifamily)
 - Income-based affordable rents to 50% AMI (veterans) and 30% AMI (supportive)
 - 30 year affordability
 - Rezoned; finalizing predevelopment

Next steps include establishing the contract terms, such as enforceability, and financial details.

Key Issues: Approve the selection of awardees for the ARPA Housing Development Fund



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Environmental Impact: N/A

Fiscal Impact: \$2,000,000 ARPA

Prior Actions: Spending Plan adopted 12/13/22; Housing Development Fund presented 3/14/23

Alternatives: (a) Accept the recommendation for ARPA Housing Development Fund Awards;
or, (b) or direct the committee to reconsider and propose a different recommendation

Community Engagement: N/A

Recommendation: Staff recommends alternative (a)

Attachments: PowerPoint presentation

Review: N/A