



Dozens of Charlottesville families with low incomes may soon find themselves in an apartment or house subsidized by a new \$900,000 rental assistance program approved by City Council on Monday.

The program will be run by the Charlottesville Redevelopment and Housing Authority as a supplement to its federal housing choice voucher program.

Councilors discussed the program on Oct. 2 but could not choose between a recommendation made by staff and recommendations made by a subcommittee of the Housing Advisory Committee.

"We were asked to review the program presented and see if we could come to some consensus," said Stacy Pethia, the city's housing coordinator. "Unfortunately, that was not possible."

One difference of opinion stemmed from whether the \$900,000 should be used to fund as many vouchers as possible for one year or whether it should be used to guarantee two years of housing.

"Staff still recommends two years of rental assistance payments because that provides stability for those families and allows them to work toward self-sufficiency," Pethia said. "There are a lot of benefits that come with housing stability that do not begin to show up until about 18 months after they receive

affordable and stable housing.”

Pethia estimated her approach would allow 79 families to benefit from the program.

However, HAC Chairman Phil d’Oronzio said federal vouchers are renewed on a yearly basis.

“If we move like lightning, we will start pushing out vouchers in December,” d’Oronzio said. “If we do that and for some reason council decides not to renew it at the same level in the following year, most people will have a 10-month off-ramp to learn about that, and that’s about as permanent as anything you can get on a standard lease.”

A majority of councilors favored Pethia’s approach.

“I am in favor of the 24-month route opposed to just having the funding for one year,” said City Councilor Wes Bellamy. “Having the money allocated over two years and setting it in stone at this point may allow us to have more flexibility than we can see at this point.”

“If council guarantees that each of these vouchers will be used for two years, then they will get two years of funding,” said City Councilor Kristin Szakos.

Another difference of opinion was over how vouchers will be distributed.

Both staff and the HAC subcommittee agreed that 10 vouchers would be set aside for families that are currently homeless. Another 20 would be reserved for households participating in self-sufficiency programs.

After that, Pethia recommended setting aside a percentage for different income groups.

“Staff recommends targeting 50 percent of the housing assistance to families earning less than or up to 30 percent of the area’s annual median income, 25 percent to families earning up to 50 percent of AMI and the remaining 25 percent to families earning less than 60 percent of AMI,” Pethia said.

However, the HAC’s recommendation was for the vouchers to not be restricted to income categories and for them to go first to those who have been on the waiting list for the longest.

“Our preference is to start with No. 1 on that list and see where they are and move them off that list,” D’Oronzio. “As we roll that out voucher by voucher, the exact number of vouchers is an unknown.”

D’Oronzio said the targeted approach is a solution in search of a problem.

“They’re all going to be at 60 percent of AMI or lower and the vast preponderance are going to be at 30 percent or lower,” d’Oronzio said.

Councilors again went with Pethia’s approach.

City Manager Maurice Jones suggested a full program review and update to City Council in a year to evaluate how it has worked.

In related business, the City Council also agreed to fully fund two affordable housing projects.

In September, councilors were presented with four applications for funding from the Charlottesville Affordable Housing Fund.

Staff members had recommended a \$1.4 million request to finance 48 rental units at the Carlton Views II development and a \$612,500 from Community Service Housing for rehabilitation of 35 rental units.

Councilors also wanted to cover a \$480,000 request from Habitat for Humanity of Greater Charlottesville to help finance 16 homes that would be purchased by households that make between 25 percent and 60 percent of the area's annual median income. They also wanted to fully fund a \$905,656 request from the Albemarle Housing Improvement Program to rehabilitate between 60 and 70 existing owner-occupied homes.

However, there was not enough money in the city's affordable housing fund to cover all of the requests. Councilors directed staff to find the rest.

"Funds were found to restore the funding for Habitat and AHIP," said Mayor Mike Signer.

On Monday, City Council agreed to transfer \$645,656 from the capital improvement program's contingency fund to make up the difference.