Council set to take action on land purchase for single room affordable housing project written by Newspack Team | February 15, 2010

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Charlottesville Tomorrow

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City Council

will vote tonight on whether to spend \$ million to purchase land on 4th Street that will be used for a 60unit

single room occupancy

(SRO) facility. The vote comes despite the fact that details on financing both the capital and operating costs are not yet secured.

Council will also hold the first of two readings on an agreement to lease the property for \$10 a year. The lease will more than likely be signed by Richmond-based

Virginia Supportive Housing

, which will operate the facility.

"There's nobody else in Virginia that builds and manages SROs for a living," said Mayor

Dave Norris

The way for the SRO has been cleared over the past year. The city's zoning ordinance was amended to allow for such a facility,

and the Planning Commission has approved a special use permit

. The existing building, which is owned by Region 10, will be torn down to make way for the new structure.

Of the 60 rooms, 30 are being designated for rental to people who make less than 60% of the area median income. These tenants will pay the full cost of rent.

The other rooms will be set aside for those with much lower incomes, and are specifically targeted at the homeless. These tenants will pay at least \$50 a month, with the difference being made up by federal Housing Choice (Section 8) vouchers that can be dedicated to the project. Virginia Supportive Housing cannot directly ask HUD for vouchers.

The current plan, according to Norris, is for the city to ask the

Charlottesville Redevelopment and Housing Authority

for 21 vouchers, and Albemarle County's Office of Housing for 9 vouchers. The U.S. Department of Housing and Urban Development (HUD) allocates 800 Section 8 vouchers between the city and county.

However, both jurisdictions are currently using as many vouchers as they can fund for their own programs. Ron White, Albemarle County's housing director, said his agency can currently only pay for 375 of the 429 it has been allocated by HUD. White said whether the county can donate some of its vouchers to the SRO project will depend on additional funding. The

Board of Supervisors

is expected to discuss the matter on March 3.

At City Council's first meeting in February, Councilor

David Brown

asked officials with the Charlottesville Redevelopment and Housing Authority if they would contribute any vouchers to the project.

CRHA Executive Director Randy Bickers said vouchers are a "precious commodity" and that he was not sure he could commit to the project. CRHA can issue up to 371 housing choice vouchers, but only has enough funding to issue 270.

"Right now if we were to give the SRO vouchers with our level of funding, we'd have to take vouchers away from somebody," Bickers said.

Norris said he did not want to take away vouchers from anyone whose living arrangement is currently supported by them. However, he said there is a case to be made for using vouchers to support the SRO project.

"What the various voucher holders in the region will see is that this is a housing type that works well for a certain category of clients – single adults with limited financial means," Norris said.

The issue will come back before the CHRA's Board of Commissioners at their meeting on February 22.

Norris said he remains 'guardedly optimistic' that the vouchers can be secured. If they are not, VSH may have a hard time securing tax credits from the Virginia Housing and Development Authority (VHDA) that would be used to finance construction.

"The worst case scenario is that we don't get the tax credits until next year," Norris said.