

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	January 20, 2015
Action Required:	Approval of Resolution
Presenter:	Kathy McHugh, Housing Development Specialist Neighborhood Development Services (NDS)
Staff Contacts:	James E. Tolbert, NDS Director Kathy McHugh, NDS Housing Development Specialist
Title:	Virginia Supportive Housing Rental Assistance for Permanent Supportive Housing for the Crossings at Fourth & Preston – Charlottesville Affordable Housing Fund - CAHF - \$150,000

Background:

The City has previously provided assistance to Virginia Supportive Housing (VSH) by means of a locally funded “voucher” program that supported rental expenses for twenty-one (21) efficiency apartments at their facility known as the Crossings at Fourth & Preston (the Crossings).

The Charlottesville Redevelopment and Housing Authority (CRHA) assumed responsibility for the rents associated with these units effective June 1, 2014. This action was consistent with the Section 8 Project-Based Voucher Program Housing Assistance Payment Agreement executed on April 19, 2011 by CRHA and VSH. The delay between the initial agreement and payment by CRHA was attributable to several factors associated with HUD approval. This effort took longer than anticipated; however, HUD effectively provided its approval to CRHA on February 3, 2014. CRHA then proceeded to notify those persons on its waiting list and to establish a site based wait list for the Crossings, as required by HUD.

City funding supported these units from March 2012 (when the Crossings opened) until May 2014, per the following which shows the amount paid to VSH and to CRHA for administration support. CRHA is now providing full funding in support of these 21 units and VSH continues to provide supportive services consistent with what has been done in the past.

Fiscal Year	Voucher Payments (\$)	Voucher Admin Pd to CRHA (\$)
11/12 (March 2012)	45,500	4,537
12/13	156,492	17,617
13/14 (May 2014)	87,121	12,480
Total	\$289,113	\$34,634

Discussion:

To further Permanent Supportive Housing (PSH) efforts, VSH has asked that the City consider a

commitment to provide funding for 5 additional units (above the 21 currently being supported by CRHA). The proposed program would operate pursuant to the following:

1. **Tenant Selection & Homelessness Status** - will rely upon the current CRHA wait list for Project Based Vouchers (PBV) and review of available documentation to determine homeless status.

It is recognized that future appropriations from City Council are not guaranteed and that individuals could lose their position on the CRHA wait list; however, VSH believes that HUD will grant a waiver to allow tenants to transition over to PBV assistance in the event that local funding is discontinued. VSH has effectively worked with similar circumstances involving the HOME TBRA program in the past and believe that HUD will work with them to facilitate the transition. There are no guarantees, but no program is totally immune to these types of risks.

2. **Length of Stay** - funds are being requested to provide assistance for 5 units over 4.5 years.

4.5 years represents the national average length of stay for PSH. Some individuals require longer than this and some less; however, this average provides a reasonable amount of time. Given the tenuous nature of homelessness, creating a financial buffer to allow individuals to prepare for the future and potentially transition into other housing was deemed to be a reasonable approach. Funding has been calculated based on an average of \$510/unit/month over the 27 months that the City paid for the previous vouchers. While this would equate to only about \$137,700, we suggest rounding up to \$150,000, with the understanding that the City would only pay up to \$150,000 during the term of the agreement.

3. **Unit Inspections** – annual inspections as well as those at unit turn over would be performed by City property maintenance inspectors. Initially, there would be 5 units, with annual turnover being minimal. This should not be a significant work load and would eliminate the need to pay an independent inspector.
4. **Income Verification and Annual Recertification** - VSH will collect all necessary data, make an initial determination as to eligibility and then send to the City Housing Specialist for review and verification. This will provide independent review and document continued compliance relative to both admissions and rent levels.
5. **Housing & Supportive Services** – VSH would prioritize placement of persons in these 5 units as detailed herein. Further, they would provide supportive services for these tenants commensurate with the level provided for all PSH units.

Providing rental assistance directly to a PSH provider (i.e., Virginia Supportive Housing) will help reduce the homeless population (most of whom are known to be Charlottesville based). PSH is a HUD best practice and is supported locally by the Thomas Jefferson Coalition for the Homeless as a viable strategy for reducing homelessness. Attached hereto is some information from VSH regarding the known homeless population in our area as well as prior success stories and identification of those we are trying to help. This information provides perspective relative to the investment of CAHF dollars, as the proposal rental subsidies have the potential to significantly impact those in our

community who are currently homeless and have little (if any) reliable income.

Alignment with Council Vision Areas and Strategic Plan:

Approval of this agenda items aligns directly with the City Council Vision for Charlottesville to provide quality housing opportunities for all. Further, objective 2.5 of the Comprehensive Plan states that the City will continue to promote the use of rapid rehousing and **permanent supportive housing options** by providing support to programs and organizations serving the homeless and near-homeless populations, as well as those with challenges that would otherwise prevent independent living. The proposed action also aligns with the Strategic Plan at goal 1.3 which speaks to increasing affordable housing options.

Community Engagement:

On June 18, 2014, the Affordable Housing Policy Review, Formulation and Best Practices Sub-Committee of the HAC discussed the proposed use of CAHF monies to support additional rental subsidies. It was noted that such subsidies are specifically allowed under the original housing policy #1 and the proposed draft (which has subsequently been approved by City Council at their meeting on 10/20/14). While at least one member noted that this would decrease existing units that are generally affordable for single low income persons, there was no opposition to using funds to further supportive homelessness efforts. The group was in agreement that this would be something that could be supported with CAHF funding.

This matter was also discussed at the 9/24/14 and 10/22/14 meetings of the Thomas Jefferson Coalition of the Homeless Board. The Board was supportive of the City providing assistance to secure additional PSH for the homeless; however, members identified broad concerns about CRHA's lack of a vulnerability preference with current project based vouchers.

Budgetary Impact:

The proposed project will require \$150,000 from the CAHF. It is thought that this amount will cover expenses related to rent for up to 5 persons for roughly 4.5 years (annual average PSH stay). In addition, City Property Maintenance personnel will also provide initial and turn over inspections of apartment units and Housing Development staff will review and provide confirmation of income eligibility and rental calculations. The budgetary impact for staff resources is thought to be nominal, with inspections requiring both in town travel and staff time of roughly 1.5 hour per inspection, including written report. Income and rental verification is anticipated to take roughly 1 hour per applicant, including written report. This would equate to 12.5 staff hours initially, with future time contingent upon turnover. Using an estimated average of \$75 for staff, benefits and overhead expenses, this would equate to \$937.50 for the initial effort; however, this would not require extra funding over and above what is requested herein.

Recommendation:

Staff recommends approval of the attached resolution.

Alternatives:

Council could elect to provide less funding and/or to provide funding for only one (1) year.

Attachments:

Information Regarding the Crossing from VSH
Resolution

THE CROSSINGS VIRGINIA SUPPORTIVE HOUSING

Question: Can VSH document how many persons on the waiting list are long term Charlottesville residents? While homeless persons don't have an address, is there a way to substantiate that these people consider Charlottesville "home."

Response: The Haven was able to give us information on who is on our waitlist. We have between 50-60 people who are probably Chronically Homeless but have not necessarily finalized all their paperwork. Of those, we went through and almost all of them have been in Charlottesville for many years if not born here. There was only one person that was a more recent relocation but they have ties to the community.

Question: Can VSH provide some success stories from the Crossings about helping local homeless persons with both housing and their life situation?

Response: Mr. "Resident A" is a 54 year old man with who had been homeless more than 15 years before moving into The Crossings, a Permanent Supportive Housing apartment building, operated by Virginia Supportive Housing in Charlottesville, VA, on March 29, 2012. Mr. "Resident A" is a native of Charlottesville and a former cobbler. Years of untreated mental health issues and alcoholism eventually led to his lengthy time on the streets. Mr. "Resident A" had hundreds of arrest over that time for public intoxication, etc. In the year leading up to him being housed he averaged weekly arrests and was seen at the UVA Hospital Emergency Room at least 8 times. Mr. "Resident A" had a reputation of being intoxicated, belligerent, and disorderly that preceded him throughout the community. He was well-known to most downtown business, police, emergency services, and local city officials for his behaviors. At the time he was housed he was facing up to 3 years in prison for stealing a frozen dinner from a break room at City Hall (a 3rd misdemeanor that equaled a felony). Recognizing the difference that being housed was going to make in Mr. "Resident A's" life, the Commonwealth attorney agreed to a plea deal that included a year's probation and maintaining his residency at The Crossings. Nearly 2 years after moving in his new home, Mr. "Resident A" has only had 2 arrests and 1 trip to the ER. He is nearing successful completion of his probation. He has received mental health treatment and is now significantly more sober. He has begun receiving SSI benefits and no longer panhandles for money. Mr. "Resident A" is developing positive insights in to his mental health and substance abuse issues. Mr. "Resident A" is very grateful for his home at The Crossings and the support he receives there, he realizes that if not for it, he would likely be in prison and eventually back out on the streets.

Mr. "Resident B" is a 43 year old formally homeless Veteran. Mr. "Resident B" moved into The Crossings in April 2012. In February of 2012 Mr. "Resident B" was hospitalized at the VA hospital in Salem, VA and nearly died from complications of alcoholism. He was fortunate enough to have The Crossings to go home to once he was discharged. Since that time Mr. "Resident B" has been sober and stabilized his physical health. Mr. "Resident B" is now an advocate for the homeless in the Charlottesville community. He is a member of the Homeless Speakers bureau, a volunteer with Veterans for Peace and volunteers with PACEM, the local cold weather shelter. Mr. "Resident B" credits The Crossings and the supportive services he receives, especially in the early days of his sobriety, for providing the necessary foundation and support to assist on his journey of recovery.

Question: Are there current examples of people who need help, but cannot be assisted due to lack of resources?

Response: We have a lot of folks that rate high score of needs on the approval list for rapid rehousing waitlist and would be put into housing. However, we do not have many support services for these people and there is a high probability that those with high VI would not be successful and will become homeless again soon. We currently have a resident whose brother is living outside and his good friend is living outside as well. With the difficulties of getting into the Salvation Army and PACEM (who was sheltering an average of 54 people a night) being closed for the season, many people are currently living outside. He continues to find only closed doors when trying to find a place to live. VSH fights regularly with the VA to try to get him housing assistance and he feels frustrated by not moving up on any of the housing lists, so he lives outside.

A 51 year old chronically homeless man who lives outside and suffers from severe medical and mental health issues continues to get hit by cars and recently was hospitalized for 2 weeks after a suicide attempt after giving up hope that he will ever have a place to live. We applied for SSI/SSDI and he is grateful that someone has a new idea that could help him. We have a 40ish year old woman who is the girlfriend of a resident who is sleeping in her car and exacerbating a back issue. Her boyfriend often spends the night out with her because he worries about her being alone. When R10's PATH worker was asked to provide assistance, he struggled to think of anything to offer her. Hopefully, the Haven will be able to find her a tent so that she will at least be able to sleep flat at night. The rapid rehousing waitlist is averaging around 150 people. We can go on.....

RESOLUTION
Charlottesville Affordable Housing Fund Assistance for
Virginia Supportive Housing Rental Assistance for The Crossings
\$150,000

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlottesville, Virginia that the sum of \$150,000 be allocated from previously appropriated funds in the Charlottesville Affordable Housing Fund to Virginia Supportive Housing for the purpose of providing rental assistance for five (5) apartment units at The Crossings at Fourth and Preston in the following manner:

Fund: 426

Project: CP-084

G/L Account: 599999

Virginia Supportive Housing \$150,000

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