

CITY OF CHARLOTTESVILLE, VIRGINIA. CITY COUNCIL AGENDA



Agenda Date:	October 16, 2017
Action Required:	Resolution
Staff Contacts:	Stacy Pethia, Housing Program Coordinator
Presenter:	Stacy Pethia, Housing Program Coordinator
Title:	Implementation Plan for the Charlottesville Supplemental Rental Assistance Program (CSRAP) -- \$900,000

Background:

On June 19, 2017, City Council approved the Housing Advisory Committee's recommendation for the creation of a supplemental rental assistance program for the City of Charlottesville. At that time, Council members instructed City staff to develop an implementation strategy for the program; that strategy was presented to City Council on October 2, 2017. As there were discrepancies between the program parameters agreed upon by the Housing Advisory Committee (HAC) Subcommittee tasked with developing a supplemental rental assistance program, City Council advised staff to return to the HAC Subcommittee to reach consensus. The results of that review are presented below.

Discussion:

Staff presented a revised version of the Charlottesville Supplemental Rental Assistance Program (CSRAP) to the HAC Chair on October 4, 2017 with the following program amendments:

1. Households served – CSRAP assistance will be provided to households with incomes up to 60% of Area Median Income (AMI), with 50% of the CSRAP vouchers serving households with incomes no greater than 30% AMI, 25% of CSRAP vouchers serving households with incomes up to 50% AMI, and the remaining 25% of CSRAP vouchers being provided to households with incomes no greater than 60% AMI; AND
2. Annual allocations of funding for the CSRAP would increase by 5% per annum.

Staff received comments on the revised program structure from the HAC on October 9, 2017, which were relayed, by the HAC Chair, to City Council the same evening.

After reviewing the HAC Subcommittee's comments, staff continues to recommend implementing the CSRAP as presented to City Council on October 2, 2017, with the two program amendments outlined above. Additionally, staff offers the following in response to the HAC Subcommittee's comments (in italics) on the revised program structure:

1. *Your suggestion for assigning 50% of the vouchers at 30% AMI, half of the remainder reserved for 50% AMI and under, and the rest with a cap at 60% looked to be excessively administratively complicated, particularly since we don't know the precise number of vouchers in play, and each would vary in amount, so getting the distribution right could constipate the program to the point of immobility.*
 - a. *The 30 vouchers earmarked for re-housing/homelessness and self-sufficiency are capped at 60% AMI, though we know the majority will likely be well below 50%*
 - b. *The remaining roughly 90 vouchers will be issued to those on the waiting list by date of placement.*
 - c. *CHRA's data shows that 84% of the recipients who come off that list are at 30% AMI or below*

As noted in the HAC's comments, approximately 84% of the households currently on the Charlottesville Redevelopment and Housing Authority's (CRHA) Housing Choice Voucher (HCV) Program waiting list have household incomes below 30% AMI; therefore, meeting the requirement of issuing 50% of CSRAP vouchers to 30% AMI households is not an issue. Administratively, as an administrator of the federal HCV program, which requires 75% of all HCV assistance be provided to households with incomes less than 30% AMI, the agency should already have mechanisms in place to award percentages of rental assistance to various income levels.

As discussed during staff's October 2nd presentation to Council, Extremely Low Income households (or those households with incomes no greater than 30% AMI) face the greatest financial barriers to securing decent, affordable housing. With limited funding for rental assistance programs, at both the local and federal levels, assistance should be provided to households for which assistance will have the greatest impact. The recommendation to target the CSRAP assistance to Extremely Low Income households is supported by recommendations put forward by the Bipartisan Policy Center in their report, "Housing America's Future: New Directions for National Policy", which states that long-term rental assistance should focus on households with the greatest need (defined as households with incomes at or below 30% of AMI), with short-term emergency rental assistance being provided to households with incomes between 30% and 80% of AMI.¹ One of the primary reasons offered by the authors for such targeting of assistance is that targeting long-term rental assistance towards Extremely Low Income households could act as a potential mechanism for ending homelessness, as the majority of households experiencing homelessness have incomes less than 30% AMI.

¹ 2013. *Housing America's Future: New Directors for National Policy*. Bipartisan Policy Center. Washington, DC. https://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC_Housing%20Report_web_0.pdf

Finally, programs are most successful when developed with clearly defined goals, objectives and program parameters². Such metrics guide program delivery and provide a benchmark upon which to gauge success³. These goals and objectives must be defined prior to program implementation to allow for continual monitoring and assessment of program activities to ensure program goals are being met and that public funds are being spent wisely.

2. *Tweaked your language in re the annual funding request so as to be governed by the *greater* of the most recent available CPI or 5%, as an inflation hedge.*

Should Council members choose to adopt this recommendation, staff suggests calculating annual increases in CSRAP allocations based on the Consumer Price Index for Housing the South Urban Region, as published by the Bureau of Labor Statistics each year. This will ensure conformity across all CAHF programs, as this is the CPI index used to determine the developer contribution amount per square footage related to the Affordable Dwelling Unit Ordinance requirements. However, as the largest percentage increase under this CPI measurement since 2009 has been 2.67%, staff believes setting a flat 5% increase in annual allocations for CSRAP funding is sufficient.

3. *Streamlined the funding advance mechanism so that CRHA administers the program, rather than funneling every request and file to your desk for individual review, as that appeared a bit cumbersome.*

Staff advises against adoption of this recommendation. A review of past CAHF grant funding procedures has uncovered several issues related to lump sum disbursements, namely: 1) an inability of City staff to accurately ensure CAHF funds are being expended in a timely manner; 2) difficulties ensuring CAHF funds are being applied towards the projects they were awarded to fund; and 3) failure of CAHF recipients to submit required quarterly reports on time (or at all) with a sufficient amount of project details to enable staff to evaluate the effectiveness of the funded programs and responsible use of public dollars. Due to these issues, staff is no longer dispersing CAHF grant funds in lump sum amounts and is requiring all recipients of CAHF funds submit detailed quarterly reports before additional grant funds will be released. This change in procedure went in to effect July 1, 2017, and will be incorporated into all grant agreements.

In light of this procedural change, and to guarantee staff's ability to effectively track CAHF funding, staff recommends adopting the procedures outlined in the CSRAP presented to Council on October 2, 2017, which includes:

² Centers for Disease Control (1999). Framework for program evaluation in public health. MMWR Recommendations and Reports. 48(RR11):1-40. <https://www.cdc.gov/mmwr/pdf/rr/rr4811.pdf>

³ Rossi, P., Freeman, H., Lipsey, M. (1999) *Evaluation: A systematic approach*. SAGE Publications, Inc. Thousand Oaks, CA. p. 67 https://is.muni.cz/el/1423/jaro2005/SPP405/Rossi_Evaluation_kap.1-5.pdf

Section VII.C

C. Upon determining that a Household is eligible to participate in the CSRA Program, CRHA shall prepare an Invoice in an amount necessary to provide funding for rental payments sufficient to provide rental Assistance for that Household through the end of the then-current calendar year quarter. CRHA shall transmit the Invoice to the City's Housing Program Coordinator. Each initial Invoice shall be accompanied by the following (and the City shall not release any funds to CRHA pursuant to the Invoice, unless and until all of the required information has been received by the City):

- (i) A copy of the Household's voucher, lease approval form, rent portions notice, rental unit information (including address and monthly rent), unit inspection report, and Household information (including income, size, composition), and
- (ii) a copy of an invoice or other statement of rent from the Household's landlord, identifying the monthly rental amount for that Household, at time of initial lease-up.

4. *Out of a concern for recipient privacy, pulled individual names from the reporting requirements, as this data will have wider distribution.*

Staff fully understands the sensitivity of the information the City is asking the CRHA to submit, and will take the necessary precautions to protect the identities of CSRAP recipient households, including shredding all household and lease related documentation. However, all current recipients of CAHF grant dollars are required to submit detailed information about the households they serve (e.g., householder name, unit address, household income, monthly rent/rental assistance amount, demographic information) and the CRHA should be no exception to this rule. City dollars are being used to fund this program and staff needs all requested information to ensure those public dollars are being spent as directed.

5. *Added the HAC as an additional recipient of the data. The program originated in the HAC, the basic policy was developed in the HAC as a pilot project, with metrics to inform the future development of the program. And public comment was quite vociferous on the point of getting and examining metrics.*

Given the sensitive nature of program data, and a dedicated staff facilitator for the HAC, this is an unnecessary request. Staff intends to share all program data with HAC members on a regular basis.

6. *12 vs. 24 months. HAC's advice and recommendation to Council is to structure the launch of this program with 12 month vouchers.*

Twice as many people can be assisted at 12 months. We have weighed the moral question of "Is it better to provide two years of guaranteed affordable housing to ~60 families, as opposed to a year to ~120 families" carefully. Our answer is "no."

At 2 years, we're effectively cutting the pull from the waiting list to 30 families, down from as many as 90, as we're already assigning 30 vouchers to self-sufficiency and homelessness recipients.

We're advising those 60 families, on the waiting list now "we have the money, but because we're concerned that a future Council may decide not to fund this program, you will have to wait"

Other voucher programs are funded on a 12 month basis. No one "likes" that, but they do continue to be funded, and people receiving those vouchers can rely on that renewal.

As the earliest of these vouchers could reasonably be issued is for a lease date of 12/1/17, in the unlikely event the new Council chose to curtail or eliminate the program for the next fiscal year, any/all recipients would have a bare minimum of 4-5 months, and many as much as 10 months advance notice of their vouchers' termination.

If the new Council wants to examine the funding of this program, let Council do it with a proper data set in front of it.

As noted during staff's October 2nd presentation to City Council, housing stability leads to a number of positive household outcomes, including improvements in family health and wellbeing, reductions in childhood behavioral problems, and better performance in school. According to research completed by Abt Associates, Inc.⁴, which compared the effects of different types of housing programs on a number of household outcomes for homeless families, found that families receiving rental subsidies through the Housing Choice Voucher (HCV) program experienced significant improvements in episodes of homelessness and substance issues, as well as reductions in the proportion of study families separated from a child, after 18 months in the HCV program. More significantly, after 36 months of program participation, the number of families experiencing at least night of homeless in the past six months was reduced by 75%. Additionally, families reported substantial reductions in child behavioral problems, an outcome not achieved during the study's 20 month follow-up survey. One interesting finding, identified during the study's 20 month and 36 follow-up surveys, was the number of heads of households that reported working in the seven day period just prior to each survey decreased by six percentage points among households receiving Housing Choice Voucher assistance. The research also found that families involved in the study required 3.1 years of housing subsidy (on average) in order to achieve a level of self-sufficiency to allow them to retain housing stability without their rental assistance.

Given the results of the above referenced research, and the significant impacts housing stability has on childhood outcomes, staff continues to recommend CSRAP assistance be guaranteed for two years as each household enters the program. Staff also continues to recommend 10% of the annual allocations of CSRAP funding be set-aside as a contingency fund to cover any increases

⁴ Department of Housing and Urban Development (2016). Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families. Washington, D.C.
<https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>

in housing assistance payments associated with any decreases in household incomes. Under the HAC's proposed program, the CSRAP will provide 12 months of rental assistance payments per participating household, and CSRAP vouchers would be awarded until all \$900,000 has been committed towards those housing assistance payments. Under these conditions, any family experiencing a decrease in household income during any 12 month period, would be at significant risk of becoming homeless as there are no remaining CSRAP funds available to cover the increase in CSRAP housing assistance payments for these families (see Table 1). Both staff recommendations reduce the number of households that can be served by the CSRAP; however, staff strongly believes there is added value to creating a program sustainable over the long-term, which provides a strong basis for successful family self-sufficiency efforts.

Community Engagement:

- Housing Advisory Committee approved recommendation of CSRAP to City Council – March 15, 2017
- HAC Policy Subcommittee proposed creation of CSRAP – March 2, 2017

Alignment with City Council Vision and Strategic Plan:

This program aligns directly with Strategic Plan Goal 1.3: Increase affordable housing options.

Budgetary Impact:

This program will use funds previously appropriated to the Charlottesville Affordable Housing Fund (CAHF). The program, if approved at the recommended funding level, would decrease the funds available in the CAHF by \$900,000.

Recommendation

Staff recommends City Council approve the attached Charlottesville Supplemental Rental Assistance Program (CSRAP) Grant Agreement at the requested level of program funding.

Alternatives:

City Council could choose to approve the CSRAP at a different level of program funding. Or, Council could choose to not fund the program at all, which may impact the City's ability to increase the number of supported affordable housing units within the City of Charlottesville.

Attachments:

Resolution

Table 1

Table 2

Staff Recommendation - Charlottesville Supplemental Rental Assistance Program

HAC Recommendation – Charlottesville Supplemental Rental Assistance Voucher Funding

RESOLUTION
Allocation of Charlottesville Affordable Housing Fund (CAHF) for the
Charlottesville Supplemental Rental Assistance Program (CSRAP) -- \$900,000

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlottesville, Virginia that the sum of \$900,000 be allocated from previously appropriated funds in the Charlottesville Affordable Housing Fund (CAHF) to the Charlottesville Supplemental Rental Assistance Program (CSRAP).

Fund: 426

Project: CP-084

G/L Account: 530670

Charlottesville Supplemental Rental Assistance Program (CSRAP)

\$900,000

Table 1: HAC Recommendation

Fiscal Year	Total Allocation*	Average Housing Assistance Payment (HAP)**	Average Annual HAP/Household	# Households Assisted	Total Annual HAP	Program Balance
2017/18	\$900,000.00	\$600.00	\$7,200.00	125	\$900,000.00	\$0.00
2018/19	\$945,000.00	\$630.00	\$7,560.00	125	\$945,000.00	\$0.00
2019/20	\$992,250.00	\$661.50	\$7,938.00	125	\$992,250.00	\$0.00
2020/21	\$1,041,862.50	\$694.58	\$8,334.90	125	\$1,041,862.50	\$0.00
2021/22	\$1,093,955.63	\$729.30	\$8,751.65	125	\$1,093,955.63	\$0.00
2022/23	\$1,148,653.41	\$765.77	\$9,189.23	125	\$1,148,653.41	\$0.00
2023/24	\$1,206,086.08	\$804.06	\$9,648.69	125	\$1,206,086.08	\$0.00
2024/25	\$1,266,390.38	\$844.26	\$10,131.12	125	\$1,266,390.38	\$0.00
2025/26	\$1,329,709.90	\$886.47	\$10,637.68	125	\$1,329,709.90	\$0.00
2026/27	\$1,396,195.39	\$930.80	\$11,169.56	125	\$1,396,195.39	\$0.00
2027/28	\$1,466,005.16	\$977.34	\$11,728.04	125	\$1,466,005.16	\$0.00
2028/29	\$1,539,305.42	\$1,026.20	\$12,314.44	125	\$1,539,305.42	\$0.00
2029/30	\$1,616,270.69	\$1,077.51	\$12,930.17	125	\$1,616,270.69	\$0.00
2030/31	\$1,697,084.23	\$1,131.39	\$13,576.67	125	\$1,697,084.23	\$0.00
2031/32	\$1,781,938.44	\$1,187.96	\$14,255.51	125	\$1,781,938.44	\$0.00

*Assumes 5% increase in program funding annually

**Assumes average HAP payment/household of \$600/month, and a 5% increase in annual rental costs

NOTE: Does not account for changes in tenant shares of rent or any program turnover

Analysis

- 125 households supported indefinitely.
- This scenario assumes HAP/household will remain stable. Scenario does not account for any potential decreases in household income, which would increase the amount of HAP the program must cover. ***In other words, if one or more households were to experience a decrease in their household income after they received a CSRAP voucher, those households would become homeless as all program funding has been committed.***

Table 2: Staff Recommendation

Fiscal Year	Total Allocation*	Rent Reserve	Total Funds Available	Average Housing Assistance Payment (HAP)**	Average HAP/24 month period	Total HAP/24 month period	# Households Assisted	Program Balance
2017/18	\$900,000.00	\$90,000.00	\$810,000.00	\$638.00	\$15,312.00	\$810,000.00	53	\$90,000.00
2018/19	\$945,000.00	\$94,500.00	\$940,500.00	\$669.90	\$16,077.60	\$940,500.00	58	\$94,500.00
2019/20	\$992,250.00	\$99,225.00	\$987,525.00	\$703.40	\$16,881.48	\$987,525.00	58	\$99,225.00
2020/21	\$1,041,862.50	\$104,186.25	\$1,036,901.25	\$738.56	\$17,725.55	\$1,036,901.25	58	\$104,186.25
2021/22	\$1,093,955.63	\$109,395.56	\$1,088,746.31	\$775.49	\$18,611.83	\$1,088,746.31	58	\$109,395.56
2022/23	\$1,148,653.41	\$114,865.34	\$1,143,183.63	\$814.27	\$19,542.42	\$1,143,183.63	58	\$114,865.34
2023/24	\$1,206,086.08	\$120,608.61	\$1,200,342.81	\$854.98	\$20,519.54	\$1,200,342.81	58	\$120,608.61
2024/25	\$1,266,390.38	\$126,639.04	\$1,260,359.95	\$897.73	\$21,545.52	\$1,260,359.95	58	\$126,639.04
2025/26	\$1,329,709.90	\$132,970.99	\$1,323,377.95	\$942.62	\$22,622.80	\$1,323,377.95	58	\$132,970.99
2026/27	\$1,396,195.39	\$139,619.54	\$1,389,546.84	\$989.75	\$23,753.94	\$1,389,546.84	58	\$139,619.54
2027/28	\$1,466,005.16	\$146,600.52	\$1,459,024.19	\$1,039.23	\$24,941.63	\$1,459,024.19	58	\$146,600.52
2028/29	\$1,539,305.42	\$153,930.54	\$1,531,975.40	\$1,091.20	\$26,188.72	\$1,531,975.40	58	\$153,930.54
2029/30	\$1,616,270.69	\$161,627.07	\$1,608,574.17	\$1,145.76	\$27,498.15	\$1,608,574.17	58	\$161,627.07
2030/31	\$1,697,084.23	\$169,708.42	\$1,689,002.87	\$1,203.04	\$28,873.06	\$1,689,002.87	58	\$169,708.42

*Assumes 5% increase in program funding annually

**Assumes average rental assistance payment of \$638 per month plus 5% rent increase annually after FY 17/18, per household (source: Dept. of HUD Program Participation Data for CRHA's Housing Choice Voucher Program)

NOTE: Rent reserve in place to cover any decreases in tenant shares of rent.

Analysis

- Assumes 24 months of guaranteed rental assistance per household.
- Guarantees 2 years of rental assistance for 53 families in year 1 of the program, increasing to 58 families in year 2 of the program.
- Potential for turnover of 50 vouchers every three years (based on Abt Associates research findings) for a total of 250 families served during a 15 year period.

Staff Recommendation

Charlottesville Supplemental Rental Assistance Program (CSRAP)

I. PURPOSE OF THE PROGRAM

- A. The City of Charlottesville has authorized the transfer of up to \$900,000.00 from Charlottesville Affordable Housing Fund (CAHF) to the Charlottesville Redevelopment and Housing Authority (CRHA) for use within the Fiscal Year ending June 30, 2018, upon the following conditions: (i) the funding shall be used exclusively by CRHA to provide vouchers to individuals who are part of Extremely Low-Income to Low-Income Households, defined as those households earning less than 60% of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development annually within the City of Charlottesville, including, but not limited to, those who are homeless, elderly and/or disabled individuals, or those enrolled in a self-sufficiency program; and (ii) the administration of this funding by CRHA shall be in accordance with the terms of this document, and shall be referred to as the “Charlottesville Supplemental Rental Assistance Program” (“CSRAP”).
- B. The City is authorized by Va. Code §36-7 to provide money to a housing authority, to enable or assist the authority to carry out its purposes.

II. ADMINISTRATION

Unless provided otherwise in this program outline, the CRHA shall administer the CSRAP in accordance with federal Housing Choice Voucher Program (HCVP) rules and regulations, as amended, and the City of Charlottesville’s Housing Policy 1, as amended.

For purposes of administration of the CSRAP, the term “household” shall mean and include any one (1) or more individual(s) who comprise a single housekeeping unit.

III. ADMISSIONS/PREFERENCES AND THE WAITING LIST

- A. Eligible Households shall be selected and admitted from the CRHA's existing HCVP waiting list in accordance with the HCVP rules and regulations established by the CRHA for selection and admission for tenant-based housing assistance through the CSRAP unless specified otherwise in this outline. Only Households with incomes less than 60% AMI shall be issued CSRAP vouchers. A Household can apply to participate in the CSRAP Program if the Head of Household lives or works within the City of Charlottesville at the time of the application; however, CSRAP vouchers shall be issued only to subsidize rental payments owed by a Household for rental of a dwelling unit located within the City of Charlottesville, except as per the provision in Section V.B.iii.
- B. The CRHA shall issue the CSRAP vouchers according to the following priorities:
 - (i) Ten (10) CSRAP rental assistance vouchers will be issued to Households who are homeless.

- (ii) Twenty (20) CSRAP rental assistance vouchers will be issued to Households enrolled in a local self-sufficiency program.
 - (iii) The remainder of the CSRAP funded vouchers (i.e., those not issued in accordance with Sections IV.B(i) or IV.B(ii), above) shall be issued to HCVP eligible households, if the individual(s) within those Households live or work in the City of Charlottesville, and if the Household(s) is or are on the CRHA's HCVP waiting list at the time of the issuance of a CSRAP voucher.
 - (iv) Fifty percent (50%) of all CSRAP vouchers shall be issued to Extremely Low-Income Households, defined as households with incomes less than 30% AMI; 25% of CSRAP vouchers shall be issued to Households with incomes between 30% and 50% of AMI; with the remaining 25% of CSRAP vouchers reserved for Households with incomes between 50% and 60% of AMI.
- C. Households on the CRHA's HCVP waiting list who accept CSRAP voucher(s) shall remain on the HCVP waiting list, and shall retain their ranking on that list. If an individual or household on the HCVP waiting list is selected by CRHA for the HCVP program, CRHA shall offer that Household the opportunity to replace any CSRAP subsidy being received with an HCV.

IV. TENANT-BASED HOUSING ASSISTANCE

- A. CSRAP vouchers shall be administered as tenant-based housing assistance, in accordance with the CRHA's HCVP rules and regulations (except as otherwise specifically provided in this grant agreement).
- B. Notwithstanding any CRHA HCVP rule or regulation to the contrary, (see Section V.A, above), the following rules apply specifically to the CSRAP:
- (i) Vouchers shall not be eligible for portability as such term is defined and utilized in 24 C.F.R. §§ 982.351 and 982.353, as amended.
 - (ii) Unless extended as per Section V.B.iii, Households receiving a CSRAP voucher shall have 90 days to locate, and lease, a rental housing unit within the City of Charlottesville (the "voucher placement term"). The voucher placement term shall commence upon the date of acceptance (by signature) of the Head of Household of the eligible family of the CSRAP offer.
 - (iii) Should a Household be unable to locate a rental unit that it can afford (based on the 30% required contribution referenced in subparagraph (iv), following below) within the City of Charlottesville within the initial 90-day CSRAP voucher placement term, the CRHA may grant one 90-day extension, or may allow recipient household to search for rental housing within Albemarle County. However, in no cases will an otherwise eligible Household be allowed to utilize a CSRAP voucher after the placement term (initial or, where applicable, extended). The voucher placement term shall expire 90 days (or 180 days, if extended) following the date of the acceptance of the CSRAP offer. Following the expiration of the voucher placement term, the CSRAP offer will be deemed to be void, and pursuant to the terms of this program agreement, CRHA is directed to offer the CSRAP voucher to another eligible Household.

- (iv) Household receiving a CSRAP voucher shall be required to contribute 30% of the monthly adjusted gross income of that Household toward rent each month. The Household's required rent contribution shall be determined at the time the Household is accepted into the CSRAP, and thereafter shall not be increased more than once every 24 months; regardless of whether or not the rent contribution is increased during any 24 month period, CRHA shall continue to verify and keep records as to the Household income, report income to the City, and comply with the requirements within this Grant Agreement.
- (v) CSRAP vouchers shall be provided monthly. The monthly housing assistance payment shall be equal to the applicable HCVP payment standard for bedroom size for the Charlottesville area, as established annually by the Virginia Housing and Development Authority, minus the tenant's portion of the rent.
- (vi) The CRHA shall reexamine the income and family composition of each Household receiving CSRAP vouchers, at least once every 24 months. Any Household that experiences a decrease in income may request a reexamination and adjustment of the requirement for 30% monthly income participation (see subparagraph (iv), above) at any time.

V. CONTINUING ELIGIBILITY FOR CSRAP FUNDING

- A. Subject to availability of CSRAP funds and the terms of this Grant Agreement, CSRAP vouchers may be issued to a Household so long as the Household is in compliance with the CSRAP Program Rules and the CRHA's HCVP rules and regulations (subject to 24 CFR §9506.3, as amended).
- B. CSRAP-assisted Households shall be entitled to the Informal Hearing Procedures for Applicants and Participants of the Housing Choice Voucher and Moderate Rehabilitation Programs as defined by 24 CFR §982.54(d)(12) and (13) as amended, as administered by the CRHA.

VI. PROGRAM FUNDING

- A. The CSRAP shall be funded through the Charlottesville Affordable Housing Fund (CAHF). The City's Housing Program Coordinator has verified that funding is available and has been appropriated by City Council to the CAHF to support the CSRAP through June 30, 2018. CSRAP may continue so long as funding from the CAHF is available and has been appropriated by City Council in amounts sufficient to support continuation of the CSRAP in subsequent fiscal year(s).
- B. Each year, in accordance with a schedule established by the City's Budget Director, CRHA shall prepare and submit to the City an estimate of the amount of money needed during the ensuing fiscal year for the CSRAP, based on the Households then participating in the CSRAP at that time, and based on a 5% increase in program funding.
- C. Upon determining that a Household is eligible to participate in the CSRA Program, CRHA shall prepare an Invoice in an amount necessary to provide funding for rental payments sufficient to provide rental Assistance for that Household through the end of the then-current calendar year quarter. CRHA shall transmit the Invoice to the City's Housing

Program Coordinator. Each initial Invoice shall be accompanied by the following (and the City shall not release any funds to CRHA pursuant to the Invoice, unless and until all of the required information has been received by the City):

- (i) A copy of the Household's voucher, lease approval form, rent portions notice, rental unit information (including address and monthly rent), unit inspection report, and Household information (including income, size, composition), and
- (ii) a copy of an invoice or other statement of rent from the Household's landlord, identifying the monthly rental amount for that Household, at time of initial lease-up.

Upon determining that the Invoice is accurate and that all required information has been received, the City's Housing Program Coordinator shall (i) initiate a transfer of CAHF Funding to CRHA in the amount requested by the Invoice, and (ii) shall encumber CAHF funds in an amount sufficient to provide monthly rental assistance to that Household, plus a ten percent (10%) contingency fee to cover any increases in the rental assistance amount, through the end of a twenty-four (24) month period from the date the Invoice is received. Except the specific amounts disbursed per the Invoice, subsequent funds for that Household shall be disbursed to CRHA in accordance with paragraph (D), following below.

Invoices for new Households as outlined in Paragraph C above will be paid to CRHA within 30 day of receipt of invoice and required documentation.

- (D) 30 days prior to the end of each calendar year quarter (specifically: on November 30, February 28, May 31, and August 31 each calendar year), the CRHA will submit to the City of Charlottesville, an itemized Quarterly Invoice, listing each recipient Household participating in the CSRA Program as of the date of such Invoice, and specifying the amount of monthly rent required for each Household (both household rent portion and rental assistance amount) for the calendar year quarter next succeeding the date of the Quarterly Invoice. Each such Quarterly Invoice shall add up each of the amounts required for the CSRA Program for the upcoming quarter, and shall give a total amount necessary to satisfy the Program commitments for that upcoming calendar year quarter.
- (E) Each itemized Quarterly Invoice referenced in Paragraph (D), above, shall be accompanied by the following information (in addition to the information required by paragraph (D), above) and this information shall be presented in the form of a Quarterly Report in an Excel Spreadsheet or other format mutually acceptable to both CRHA and the City's Housing Program Coordinator. Each Quarterly Report shall providing program and household statistics, including but not necessarily limited to:
 - Date voucher issued
 - Date voucher extended (if applicable)
 - Date unit leased
 - Name (head of household)
 - Unit Address
 - Total Monthly Rent
 - Amount of Monthly Rental Assistance Provided
 - Household Income
 - %AMI
 - Employment Status
 - Number of Wage Earners

- Household Composition
 - Number of Adults
 - Number of Children
 - Number of Children Under 5-years
 - Number of Elderly (65 years+)
 - Number of Disabled
 - Race/Ethnicity

No funds will be released pursuant to any new Purchase Order received from CRHA, unless and until all required Quarterly Reports have been received.

Payments to CRHA for the CRASP vouchers will be due to CRHA within 30 days of completed Quarterly Invoice and Report referenced in Paragraph D and E above.

- (vi) All reports shall be submitted to the City of Charlottesville's Housing Program Coordinator.

HAC Recommendation

Charlottesville Supplemental Rental Assistance Voucher Funding (CSRAVF)

I. PURPOSE OF THE PROGRAM

- A. The City of Charlottesville has authorized the transfer of up to \$900,000.00 from Charlottesville Affordable Housing Fund (CAHF) to the Charlottesville Redevelopment and Housing Authority (CRHA) for use beginning in the Fiscal Year ending June 30, 2018, upon the following conditions: (i) the funding shall be used exclusively by CRHA to provide Rental Assistance Vouchers (RAVs) to individuals/families who are part of Extremely Low-Income to Low-Income Households, defined as those Households earning less than 60% of Area Median Income (Area Median Income) as determined by the US Department of Housing and Urban Development annually within the City of Charlottesville, including, but not limited to, those who are homeless, elderly and/or disabled individuals, or those enrolled in a self-sufficiency program; and (ii) the administration of this funding by CRHA shall be in accordance with the terms of this document, and shall be referred to as the “Charlottesville Supplemental Rental Assistance Program” (“CSRAVF”).
- B. The City is authorized by Va. Code §36-7 to provide money to a housing authority, to enable or assist the authority to carry out its purposes.

III. ADMINISTRATION

Unless provided otherwise in this program outline or in future agreements or amendments, the CRHA shall administer the CSRAVF in accordance with federal Housing Choice Voucher Program (HCVP) rules and regulations, as amended, and the City of Charlottesville’s Housing Policy 1, as amended. Specifically, Housing Policy 1 provides that “The City’s intent for CAHF funding is to... create incentives and opportunities to provide new Supported Affordable Units that would not otherwise exist....To this end, the City realizes that flexibility is important.” The policy further states that a “strong preference is for applications that benefit the lowest level of AMI, as defined herein to include extremely low income (30 percent AMI or less) and very low income (between 50 and 30 percent AMI), and low income (up to 60 percent AMI).”

For purposes of administration of the CSRAVF, the term “Household” shall mean and include any one (1) or more individual(s) who comprise a single residential dwelling unit.

IV. ADMISSIONS/PREFERENCES AND THE WAITING LIST

- A. Eligible Households selected and admitted from the CRHA's existing HCVP waiting list shall be in accordance with the HCVP rules and regulations established by the CRHA for selection and admission for tenant-based housing assistance through the CSRAVF unless specified otherwise in this outline. Only Households with incomes less than 60% AMI

shall be issued CSRAVF vouchers. A Household can apply to participate in the CSRAVF Program if individual(s) within the Household live or work within the City of Charlottesville at the time of the application; however, CSRAVF vouchers shall be issued only to subsidize rental payments owed by a Household for rental of a dwelling unit located within the City of Charlottesville, except as per the provision in Section IV.B.iii.

- B. The CRHA shall issue the CSRAVF vouchers according to the following priorities:
- (i) Homeless Re-housing RAV: Ten (10) CSRAVF rental assistance vouchers will be issued to Households who are homeless. If CRHA is unable to issue CSRAVF rental vouchers to existing HCVP registrants, CRHA may issue the remainder of the Homeless RA vouchers to homeless individuals/families not currently on the CRHA HCVP waiting list. In such cases, applicants seeking the Homeless voucher must meet existing CRHA qualification.
 - (ii) Self-Sufficiency RAV: Twenty (20) CSRAVF rental assistance vouchers will be issued to Households enrolled in a local self-sufficiency program.
 - (iii) General RAV: The remainder of the CSRAVF funded vouchers (i.e., those not issued in accordance with Sections IV.B(i) or IV.B(ii), above), projected to be approximately ninety (90), shall be offered to HCVP eligible Households on HCVP's waiting list in the order by which they registered, provided those Households live or work in the City of Charlottesville. Historical data confirms that more than 80% of CHRA voucher recipients are at 30% or below AMI. At any time, the CRHA may reopen its waiting list to other individuals/families for the purpose of matching qualified recipients with CSRAVF or other vouchers.
- C. Households on the CRHA's HCVP waiting list who accept CSRAVF voucher(s) shall remain on the HCVP waiting list, and will be allowed to remain on the list. If an individual or Household on the HCVP waiting list is selected by CRHA for the HCVP program, CRHA shall offer that Household the opportunity to replace any CSRAVF subsidy being received with an HCV.

V. TENANT-BASED HOUSING ASSISTANCE

- A. CSRAVF vouchers shall be administered as tenant-based housing assistance, in accordance with the CRHA's HCVP rules and regulations (except as otherwise specifically provided in this grant agreement or future amendments and or agreements).
- B. Notwithstanding any CRHA HCVP rule or regulation to the contrary, (see Section V.A, above), the following rules apply specifically to the CSRAVF:
- (i) Vouchers shall not be eligible for portability as such term is defined and utilized in 24 C.F.R. §§ 982.351 and 982.353, as amended.

- (ii) Households receiving a CSRAVF voucher shall have 90 days to locate, and lease, a rental housing unit within the City of Charlottesville.
- (iii) Should a Household be unable to locate a suitable rental unit within the City of Charlottesville within the initial 90-day CSRAVF voucher term, the CRHA may grant one 90-day extension, or may allow recipient Household to search for rental housing within Albemarle County.
- (iv) The Household's required rent contribution (as defined within HCVP guidance) shall be determined at the time the Household is accepted into the CSRAVF, and will not be increased within the first 24 months. CRHA shall annually verify and keep records as to the Household income, report income to the City, and comply with the requirements within this Grant Agreement.
- (v) CSRAVF vouchers shall be provided monthly consistent with administration of the HCVP. The monthly housing assistance payment shall be equal to the applicable HCVP payment standard for bedroom size for the Charlottesville area, as established annually by the Virginia Housing and Development Authority, minus the tenant's portion of the rent.
- (vi) The CRHA shall reexamine the income and family composition of each Household receiving CSRAVF vouchers, at least once every 24 months. Any Household that experiences a decrease in income may request a reexamination and adjustment of the requirement for 30% monthly income participation (see subparagraph (iv), above) at any time.

VI. CONTINUING ELIGIBILITY FOR CSRAVF FUNDING

- A. Subject to availability of CSRAVF funds and the terms of this Grant Agreement, CSRAVF vouchers may be issued to a Household so long as the Household is in compliance with the CSRAVF Program Rules and the CRHA's HCVP rules and regulations (subject to 24 CFR §9506.3, as amended).
- B. CSRAVF-assisted Households shall be entitled to the Informal Hearing Procedures for Applicants and Participants of the Housing Choice Voucher and Moderate Rehabilitation Programs as defined by 24 CFR §982.54(d)(12) and (13) as amended, as administered by the CRHA.

VII. PROGRAM FUNDING

- A. The CSRAVF shall be funded through the Charlottesville Affordable Housing Fund (CAHF). The City's Housing Program Coordinator has verified that funding is available and has been appropriated by City Council to the CAHF to support the CSRAVF through June 30, 2018. CSRAVF shall continue so long as funding from the CAHF is available and has been appropriated by City Council in amounts sufficient to support continuation of the CSRAVF in subsequent fiscal year(s).

- B. Each year, in accordance with a schedule established by the City's Budget Director, CRHA shall prepare and submit to the City an estimate of the amount of money needed during the ensuing fiscal year for the CSRAVF, based on the Households on the waiting list or participating in the CSRAVF at that time with an adjustment in funding not to exceed greater of the most recent available annualized CPI figures or 5%
- C. Upon execution of this agreement, CAHF funds in the amount of 25% of the allocation will be disbursed to CHRA for implementation of the CSRAVF (funding reserve). When the unencumbered funding balance within the Funding Reserve reaches ten percent (10%) of the total program allocation funding, the City shall immediately disperse an additional fifteen percent (15%) of the total program allocation funding to CRHA. In so doing, at all times during the term of the CSRAVF, CRHA will maintain an unencumbered program Funding Reserve balance of no less than ten percent (10%) and no more than twenty-five percent (25%) of the total program allocation funding. .
- D. Upon determining that a Household is eligible to participate in the CSRA Program, CRHA shall encumber CAHF funds in an amount sufficient to provide monthly rental assistance to that Household, plus a ten percent (10%) contingency to cover any increases in the rental assistance amount, through the end of a twelve (12) month period from the date the Invoice is received.
- E) On or around 30 days prior to the end of each calendar year quarter, at the request of the City's Housing Program Coordinator, the CRHA will submit to the City of Charlottesville, an itemized Quarterly Report list specifying the amount of monthly rent required for each Household (both Household rent portion and rental assistance amount) for the calendar year quarter next succeeding the date of the Quarterly Report. Each such Quarterly Report shall add up each of the amounts required for the CSRA Program for the upcoming quarter, and shall give a total amount necessary to satisfy the Program commitments for that upcoming calendar year quarter.
- (F) Each itemized Quarterly Report referenced in Paragraph (E), above, shall be accompanied by the following information and this information shall be presented in the form of a Quarterly Report in an Excel Spreadsheet or other format mutually acceptable to both CRHA and the City's Housing Program Coordinator. Each Quarterly Report shall providing program and Household statistics, including but not necessarily limited to:
- Date voucher issued
 - Date voucher extended (if applicable)
 - Date unit leased
 - Unit Address
 - Total Monthly Rent
 - Amount of Monthly Rental Assistance Provided
 - Household Income
 - %AMI
 - Employment Status

- Number of Wage Earners
- Household Composition
 - Number of Adults
 - Number of Children
 - Number of Children Under 5-years
 - Number of Elderly (65 years+)
 - Number of Disabled
 - Race/Ethnicity

Payments to CRHA for the CRASP vouchers will be due to CRHA within 30 days of completed Quarterly Invoice and Report referenced in Paragraph D and E above.

(vi) All reports shall be submitted to the City of Charlottesville's Housing Program Coordinator and City of Charlottesville Housing Advisory Committee

GRANT AGREEMENT
Charlottesville Supplemental Rental Assistance Program
(CSRAP)

I. PURPOSE OF THE PROGRAM

- A. The City of Charlottesville has authorized the transfer of up to \$900,000.00 from Charlottesville Affordable Housing Fund (CAHF) to the Charlottesville Redevelopment and Housing Authority (CRHA) for use within the Fiscal Year ending June 30, 2018, upon the following conditions: (i) the funding shall be used exclusively by CRHA to provide vouchers to individuals who are part of Extremely Low-Income Households, defined as those households earning 30% or less of Area Median Income as determined by the US Department of Housing and Urban Development annually within the City of Charlottesville, including, but not limited to, those who are homeless, elderly and/or disabled individuals, or those enrolled in a self-sufficiency program; and (ii) the administration of this funding by CRHA shall be in accordance with the terms of this document, and shall be referred to as the “Charlottesville Supplemental Rental Assistance Program” (“CSRAP”).
- B. The City is authorized by Va. Code §36-7 to provide money to a housing authority, to enable or assist the authority to carry out its purposes.

II. PROGRAM FUNDING

The CSRAP shall be funded through the Charlottesville Affordable Housing Fund (CAHF).

III. ADMINISTRATION

Unless provided otherwise in this program outline, the CRHA shall administer the CSRAP in accordance with federal Housing Choice Voucher Program (HCVP) rules and regulations, as amended, and the City of Charlottesville’s Housing Policy 1, as amended.

For purposes of administration of the CSRAP, the term “household” shall mean and include any one (1) or more individual(s) who comprise a single housekeeping unit.

IV. ADMISSIONS/PREFERENCES AND THE WAITING LIST

- A. Eligible Households shall be selected and admitted from the CRHA's existing HCVP waiting list in accordance with the HCVP rules and regulations established by the CRHA for selection and admission for tenant-based housing assistance through the CSRAP unless specified otherwise in this outline. Only Extremely Low Income Households shall be issued CSRAP vouchers. A Household can apply to participate in the CSRAP Program if individual(s) within the Household live or work within the City of Charlottesville at the time of the application; however, CSRAP vouchers shall be issued only to subsidize

rental payments owed by a Household for rental of a dwelling located within the City of Charlottesville, except as per the provision in Section V.B.iii.

- B. The CRA shall issue the CSRAP vouchers according to the following priorities:
- (i) Ten (10) CSRAP rental assistance vouchers will be issued to Households who are homeless.
 - (ii) Twenty (20) CSRAP rental assistance vouchers will be issued to Households enrolled in a local self-sufficiency program.
 - (iii) The remainder of the CSRAP funded vouchers (i.e., those not issued in accordance with Sections IV.B(i) or IV.B(ii), above) shall be issued to HCVP eligible households, if the individual(s) within those Households live or work in the City of Charlottesville, and if the Household(s) is or are on the CRHA's HCVP waiting list at the time of the issuance of a CSRAP voucher.
- C. Households on the CRHA's HCVP waiting list who accept CSRAP voucher(s) shall remain on the HCVP waiting list, and shall retain their ranking on that list. If an individual or household on the HCVP waiting list is selected by CRHA for the HCVP program, CRHA shall offer that Household the opportunity to replace any CSRAP subsidy being received with an HCV.

V. TENANT-BASED HOUSING ASSISTANCE

- A. CSRAP vouchers shall be administered as tenant-based housing assistance, in accordance with the CRHA's HCVP rules and regulations (except as otherwise specifically provided in this grant agreement).
- B. Notwithstanding any CRHA HCVP rule or regulation to the contrary, (see Section V.A, above), the following rules apply specifically to the CSRAP:
- (i) Vouchers shall not be eligible for portability as such term is defined and utilized in 24 C.F.R. §§ 982.351 and 982.353, as amended.
 - (ii) Households receiving a CSRAP voucher shall have 90 days to locate, and lease, a rental housing unit within the City of Charlottesville.
 - (iii) Should a Household be unable to locate a rental unit that it can afford (based on the 30% required contribution referenced in subparagraph (iv), following below) within the City of Charlottesville within the initial 90-day CSRAP voucher term, the CRHA may grant one 90-day extension, or may allow recipient household to search for rental housing within Albemarle County.
 - (iv) Household receiving a CSRAP voucher shall be required to contribute 30% of the monthly adjusted gross income of that Household toward rent each month. The Household's required rent contribution shall be determined at the time the

Household is accepted into the CSRAP, and thereafter shall not be increased more than once every 24 months; regardless of whether or not the rent contribution is increased during any 24 month period, CRHA shall continue to verify and keep records as to the Household income, report income to the City, and comply with the requirements within this Grant Agreement.

- (v) CSRAP vouchers shall be provided monthly. The monthly housing assistance payment shall be equal to the applicable HCVP payment standard for bedroom size for the Charlottesville area, as established annually by the Virginia Housing and Development Authority, minus the tenant's portion of the rent.
- (vi) The CRHA shall reexamine the income and family composition of each Household receiving CSRAP vouchers, at least once every 24 months. Any Household that experiences a decrease in income may request a reexamination and adjustment of the requirement for 30% monthly income participation (see subparagraph (iv), above) at any time.

VI. CONTINUING ELIGIBILITY FOR CSRAP FUNDING

- A. Subject to availability of CSRAP funds and the terms of this Grant Agreement, CSRAP vouchers may be issued to a Household so long as the Household is in compliance with the CSRAP Program Rules and the CRHA's HCVP rules and regulations (as amended).
- B. CSRAP-assisted Households shall be entitled to the Informal Hearing Procedures for Applicants and Participants of the Housing Choice Voucher and Moderate Rehabilitation Programs as defined by 24 CFR §982.54(d)(12) and (13) as amended, as administered by the CRHA.

VII. PROGRAM FUNDING

- A. The City's Housing Program Coordinator has verified that funding is available and has been appropriated by City Council to the CAHF to support the CSRAP through June 30, 2018. CSRAP may continue so long as funding from the CAHF is available and has been appropriated by City Council in amounts sufficient to support continuation of the CSRAP in subsequent fiscal year(s).
- B. Each year, in accordance with a schedule established by the City's Budget Director, CRHA shall prepare and submit to the City an estimate of the amount of money needed during the ensuing fiscal year for the CSRAP, based on the Households then participating in the CSRAP at that time, and based on CRHA's estimate of any rent increases for those participating Households, and (at CRHA's option) CRHA's estimates of the cost of any desired expansion of the CSRAP to additional participants during the ensuing fiscal year.
- C. Upon determining that a Household is eligible to participate in the CSRA Program, CRHA shall prepare an Invoice in an amount necessary to provide funding for rental payments sufficient to provide rental Assistance for that Household through the end of the then-current calendar year quarter. CRHA shall transmit the Invoice to the City's

Housing Program Coordinator. Each initial Invoice shall be accompanied by the following (and the City shall not release any funds to CRHA pursuant to the Invoice, unless and until all of the required information has been received by the City):

- (i) A copy of the Household's voucher, lease approval form, rent portions notice, rental unit information (including address and monthly rent), unit inspection report, and Household information (including income, size, composition), and
- (ii) a copy of an invoice or other statement of rent from the Household's landlord, identifying the monthly rental amount for that Household, at time of initial lease-up.

Upon determining that the Invoice is accurate and that all required information has been received, the City's Housing Program Coordinator shall (i) initiate a transfer of CAHF Funding to CRHA in the amount requested by the Invoice, and (ii) shall encumber CAHF funds in an amount sufficient to provide monthly rental assistance to that Household, plus a ten percent (10%) contingency fee to cover any increases in the rental assistance amount, through the end of a twenty-four (24) month period from the date the Invoice is received. Except the specific amounts disbursed per the Invoice, subsequent funds for that Household shall be disbursed to CRHA in accordance with paragraph (D), following below.

Invoices for new Households as outlined in Paragraph C above will be paid to CRHA within 30 day of receipt of invoice and required documentation.

- (D) 30 days prior to the end of each calendar year quarter (specifically: on November 30, February 28, May 31, and August 31 each calendar year), the CRHA will submit to the City of Charlottesville, an itemized Quarterly Invoice, listing each recipient Household participating in the CSRA Program as of the date of such Invoice, and specifying the amount of monthly rent required for each Household (both household rent portion and rental assistance amount) for the calendar year quarter next succeeding the date of the Quarterly Invoice. Each such Quarterly Invoice shall add up each of the amounts required for the CSRA Program for the upcoming quarter, and shall give a total amount necessary to satisfy the Program commitments for that upcoming calendar year quarter.
- (E) Each itemized Quarterly Invoice referenced in Paragraph (D), above, shall be accompanied by the following information (in addition to the information required by paragraph (D), above) and this information shall be presented in the form of a Quarterly Report in an Excel Spreadsheet or other format mutually acceptable to both CRHA and the City's Housing Program Coordinator. Each Quarterly Report shall providing program and household statistics, including but not necessarily limited to:
 - Date voucher issued
 - Date voucher extended (if applicable)
 - Date unit leased
 - Name (head of household)
 - Unit Address

- Total Monthly Rent
- Amount of Monthly Rental Assistance Provided
- Household Income
 - %AMI
- Employment Status
- Number of Wage Earners
- Household Composition
 - Number of Adults
 - Number of Children
 - Number of Children Under 5-years
 - Number of Elderly (65 years+)
 - Number of Disabled
 - Race/Ethnicity

No funds will be released pursuant to any new Purchase Order received from CRHA, unless and until all required Quarterly Reports have been received.

Payments to CRHA for the CRASP vouchers will be due to CRHA within 30 days of completed Quarterly Invoice and Report referenced in Paragraph D and E above.

- (vi) All reports shall be submitted to the City of Charlottesville's Housing Program Coordinator.

OFFERED BY: City of Charlottesville

By: _____

Date: _____

ACCEPTED BY: Charlottesville Redevelopment and Housing Authority

By: _____

Date: _____