

# Housing for Homeless Project Faces Financial Hurdles in City

*Rachana Dixit*  
*Daily Progress*  
*October 11, 2009*

Charlottesville's planned housing for homeless people is facing a funding dilemma.

Setting aside federal Housing Choice vouchers that are seen as key to building the city's first studio apartment-style facility for the region's homeless is proving to be an arduous task, officials say.

"It's one of those hiccups that you're having to be aware of and kind of be a little patient about," said Alice Tousignant, the executive director of Virginia Supportive Housing, the organization trying to build a single-room occupancy project in the city.

The vouchers allow very low-income residents to lease private rental housing with the help of a subsidy. Most of a locality's or agency's vouchers must go to tenants who choose their own private housing, but the federal government allows up to 20 percent to be tied to a specific property, which is what those behind the SRO are looking to get.

Without them, or any subsidy, officials agree that the project might not be feasible.

"Without the subsidy, the project wouldn't work," said Ron White, Albemarle County's housing director. "There has to be some subsidy in there."

The City Council has committed \$500,000 to VSH to assist in purchasing a site for the single-room facility, which will have 60 studio-style apartment units, but no money has officially been handed over. The organization is seeking other assistance from surrounding localities — apart from its initial capital, estimated to cost \$1.5 million, the facility's annual operational costs are expected to run around \$470,000.

Those involved with the project hope that assistance would come in the form of rental vouchers, which would cover the expenses that tenants would not be able to pay. Without them, another source of funding would need to be found or the project would need to be adjusted, Tousignant said.

Between the Charlottesville Redevelopment and Housing Authority and Albemarle County's Office of Housing, there are 800 housing choice vouchers. Roughly 640 are funded.

But the economy and the decline in federal funding for the program already make it difficult to set aside vouchers for one particular project, officials said. White said that on top of that, to cover existing financial shortfalls for the county's program, the federal government may use a portion of next year's funding to fill those gaps but there would not be more money to fund additional vouchers.

"I've looked at some numbers of what we could commit, and based on what [the U.S. Department of Housing and Urban Development] allows you to commit, we're thinking eight to 10, at a maximum," White said of the county's vouchers. "We couldn't even put a firm number out there."

The city's housing authority has other priorities to worry about, as well.

Randy Bickers, the housing authority's executive director, said they might need to hold on to a certain number of their vouchers for when the city's public housing is redeveloped, and more units that are not strictly public housing are added.

"Until we figure out how we're financing our redevelopment effort ... they're not going to give out vouchers or project-based vouchers anywhere else," Bickers said, adding, "vouchers are like gold around here."

However, Mayor Dave Norris said, "They have a large number of vouchers and it wouldn't be that large of a sacrifice for them to dedicate eight to 15 vouchers of their own."

The city housing authority and the county's housing office both get their housing vouchers through HUD.

Region Ten has a different situation — its allocation is administered through the Virginia Housing Development Authority, which has 9,306 available and fully funded vouchers. Out of that, Region Ten has been allocated 86.

But the state authority does not allow entities to project-base their vouchers, leaving Region Ten without the ability to designate a certain number of vouchers for the SRO project.

"We can't. It's not legal for us to do so," said Reed Banks, Region Ten's senior director for adult rehabilitation services.

Sharon Fairburn, the VHDA's Housing Choice voucher director, said all of the federal funds the authority has for the housing choice program are already being spent on those who already have vouchers, so she would not be able to set aside any project-based ones.

"We are trying to stay within the federal funds we have," she said.

Fairburn said she would not ask families who are currently using the program to give up their vouchers so that Charlottesville's SRO project could be built.

"That's not the intent of our program," she said.

Norris said he has been in discussions to see if those rules could change.

"I haven't gotten very far yet, they've been pretty adamant so far," he said. "But I don't think it's a lost cause."