



*THE FOLLOWING IS A MESSAGE FROM RRHA to the
PARTICIPATING FAMILIES and LANDLORDS IN THE
HOUSING CHOICE VOUCHER PROGRAM*

October 20, 2009

IMPORTANT INFORMATION FROM RRHA REGARDING YOUR FUTURE RENT PAYMENT AMOUNT

Dear Participant:

As you are aware from our past communications, many of the nation's Housing Authorities, including the Richmond Redevelopment and Housing Authority (RRHA), are experiencing the impact of a Housing Choice Voucher Program (HCVP) funding shortfall due to delays in full funding from the U. S. Congress.

Given the impact of this shortfall and the importance of the financial support to effectively serve families in the city of Richmond, Mr. Anthony Scott, Chief Executive Officer of RRHA continues to meet with federal legislators and officials from the US Department of Housing and Urban Development (HUD) to discuss every strategy on how we can secure adequate funding and build on the program's success.

In these discussions with HUD representatives, we were urged to consider a number of actions as outlined in their notice to Housing Authorities (PIH 2005-9) to reduce program costs immediately. Included in the actions that remain available to us was a reduction in the rent payment standards that determine the amount of subsidy provided to participants.

By HUD regulation (24CFR 982.505), an allowable rate payment standard amount is defined as any amount between 90% and 110% of the Fair Market Rates (FMR). Currently, the RRHA program allows for payment at 100% of FMR. Pursuant to HUD's recommendations, we have applied to HUD to reduce our payment standard to 90% of FMR. **This letter is to advise you that this change will be effective immediately upon HUD's approval. Once approval is in hand, you will be provided 30 days advance written notice of the new rental amount; however, please note that your monthly rental amount may change as early as January 1, 2010.**

To demonstrate how this change will be applied throughout the program, the following is an example of a Payment Standard:

CURRENT AMOUNT		NEW AMOUNT	
100 % FMR		90% FMR	
Payment Standard	\$1,234	<i>Payment Standard</i>	\$1,117
RRHA payment	517	<i>RRHA payment</i>	452
Tenant Rent payment	456	<i>Tenant Rent payment</i>	521

Although we wish this action was not required and certainly understand the impact that it will have on the families we serve, we hope this action and others being pursued will forestall the possible termination of participants from our program.

Mr. Scott is meeting with City of Richmond officials to provide information and discuss this challenge we currently face. As the above action alone will not remedy the entire financial shortfall, RRHA has submitted a request to the Mayor's office seeking funds to off-set the balance of the projected shortfall. The funds will be used to cover our HUD rent subsidy shortfall for families currently participating in the Housing Choice Voucher program. We continue to be encouraged that our legislators will approve the needed funding for our program and we will not need the assistance from the city; however, we are seeking this support as a precautionary measure.

Thank you for your attention to this important information. We will continue to keep you updated with any new developments. If you have any questions, please contact your housing specialist or you may contact our Voucher Management Office at (804) 780-4746.

Sincerely,

John Hill
Sr. Vice President Property Management and Assisted Housing

cc: Shawn Williams, HCVP Program Director