

# Policy Briefing Summary

## City Council



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<b>Regarding:</b>	<b>Resolution Appropriating \$390,000 to Support a Rental Arrears Intervention Pilot Program (2nd reading)</b>
<b>Staff Contact(s):</b>	James Freas, Deputy City Manager, Madelyn Metzler, Housing Compliance Coordinator, Kellie Brown, Director of NDS
<b>Presenter:</b>	<b>Madelyn Metzler, Housing Compliance Coordinator</b>
<b>Date of Proposed Action:</b>	February 2, 2026

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### Issue

Piedmont Housing Alliance ("PHA") has confirmed a rental arrears priority at Kindlewood, in both existing and new housing units. The persistence of arrears suggests a critical financial assessment and counseling intervention is needed, and PHA requests consideration of \$390,000 to support a Rental Arrears Intervention Pilot Program ("Pilot Program").

### Background / Rule

Rental arrears at PHA properties have grown to over \$450,000, creating financial strain for PHA and increasing eviction risk for residents. This challenge has prompted consideration of interventions that combine financial counseling with partial arrears payments to stabilize households and property operations.

### Analysis

PHA is experiencing a growing rent delinquency crisis that may be indicative of a larger trend among affordable housing residents. CRHA has indicated similar trends in its properties and both organizations face financial strain and the increasing risk of eviction. This challenge threatens property operations and long-term affordability unless addressed through targeted intervention. PHA proposed a two (2)-year Pilot Program that would combine financial counseling through its Financial Opportunity Center with partial arrears payments. The requests include City funding to cover up to fifty percent (50%) of arrears (approximately \$220,000) and \$170,000 for a dedicated financial literacy counselor for a total of \$390,000. If implemented, the Pilot Program would pair payment assistance with accountability measures and financial education, aiming to stabilize households and reduce eviction rates. The Pilot Program would include performance metrics and would be monitored under the City's Grant Monitoring and Compliance Program.

### Financial Impact

The source of funds for the Pilot Program will be the City's CIP Contingency Fund. The funds will be disbursed to PHA as a grant and in accordance with the terms of a signed Grant Agreement. The terms of the Grant Agreement will be finalized after the appropriation is approved by City Council.

### Recommendation

City Staff recommends City Council adopt the attached Resolution which funds a two (2)-year Pilot Program that includes \$170,000 for a financial literacy counselor and up to \$220,000 to cover fifty percent (50%) of arrears for participating households.

### Recommended Motion (if Applicable)

"I make a Motion to adopt the attached Resolution which funds a two (2)-year Pilot Program that includes \$170,000 for a financial literacy counselor and up to \$220,000 to cover fifty percent (50%) of arrears for participating households."

**Attachments**

1. RESOLUTION\_\$390,000 PHA Rental Arrears Pilot Program