



## ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item  
Meeting of April 19, 2008**

**DATE:** April 3, 2008

**SUBJECT:** Adoption of the Community Development Program and Budget for Fiscal Year (FY) 2009, including allocation of Affordable Housing Investment Fund (AHIF) Housing Services funds.

**C. M. RECOMMENDATIONS:**

1. Approve the Community Development Program and Budget for FY 2009 as described in the Proposed Budget for FY 2009, (Section L, Pages 17-26), with reduction of \$108 to DHS/AEC Employment & Training line item to reflect the actual grant amount of \$1,753,768 (Attachment 1).
2. Authorize the County Manager to sign contracts and documents (1) to make grants in FY 2009 as shown in the Proposed Budget for FY 2009, and (2) as may be required by U.S. Department of Housing and Urban Development (HUD) for participation in the Community Development Block Grant (CDBG) program, including CDBG Certifications, and (3) as may be required by Virginia State Department of Social Services and the U. S. Department of Health and Human Services for participation in the Community Services Block Grant (CSBG) Program.
3. Approve the allocation of revolving loan program income received annually by AHC, Inc. and Enterprise Development Group (EDG), as required by CDBG regulations.
4. Allocate up to \$100,000 from the FY 2009 Affordable Housing Investment Fund (AHIF) and allocate \$2,200 from the FY 2008 AHIF (101.456300.91102) housing services funds for a total of \$102,200 to four programs: \$12,500 for the Financial Literacy Skills Project by Doorways for Women and Families; \$20,000 for the Transitional Housing by Borrromeo Housing; \$50,000 for the Director of Housing Programs by Arlington Street People's Assistance Network (A-SPAN); and \$19,700 for Partnership for Family Stability by Arlington Alexandria Coalition for the Homeless (AACH).

County Manager: \_\_\_\_\_

County Attorney: \_\_\_\_\_

Staff: Jane M. Eboch, CPHD/Housing Division; Robert Sharpe, DHS/Director's Office

5. Authorize the County Manager to execute the required documents to convey the AHIF grant up to \$102,200 in total to: Doorways for Women and Families, Borrromeo Housing, A-SPAN and AACH.
6. Appropriate \$6,000 in FY 2008 Virginia Community Service Block Grant funds to the Department of Community Planning, Housing and Development (CPHD), an increase from \$279,000 CSBG funds appropriated on April 21, 2007, and
  - Allocate \$2,000 in FY 2008 Virginia Community Service Block Grant funds to Virginia Justice Center (101.456300.72409) for Legal Counseling for Employment; and
  - Allocate \$2,000 in FY 2008 Virginia Community Service Block Grant funds to Just Neighbors Ministry (101.456300.72409) for Immigration Legal Services; and
  - Allocate \$2,000 in FY 2008 Virginia Community Service Block Grant funds to Offender Aid and Restoration (OAR) (101.456300.72409) for Community Involvement in Re-Entry.
7. Appropriate \$59,216 in FY 2008 Virginia Community Services Block Grant funds to Department of Human Services (DHS); and
  - Allocate \$39,216 in FY 2008 Virginia Community Service Block Grant funds to Arlington Food Assistance Center (AFAC) (101.52205) for supplemental groceries for low-income Arlington residents; and
  - Allocate \$10,000 in FY 2008 Virginia Community Service Block Grant funds to Arlingtonians Ministering to Emergency Needs (AMEN) (101.434000.51106.0000.0000.4130) for furniture bank operations and emergency assistance to prevent evictions; and
  - Allocate \$10,000 in FY 2008 Virginia Community Service Block Grant funds to DHS (101.438200.53119) for tax filing and outreach to help low income elder residents receive a federal stimulus rebate.

**ISSUE:** Should FY 2009 CDBG, CSBG and AHIF Housing Services funds and FY 2008 CSBG and AHIF funds be appropriated and allocated as recommended by the County Manager?

**SUMMARY:** Board approval is needed for actions related to the administration of Arlington County's FY 2009 CDBG Entitlement from the federal Department of Housing and Urban Development and the CSBG from the U. S. Department of Health and Human Services and Virginia Department of Social Services. Board action is also required to allocate AHIF Housing Services funds to four nonprofits to implement housing service projects. The State recently increased the FY 2008 CSBG grant amount and Board action is required to appropriate and allocate the additional funds.

**BACKGROUND:** The Community Development Program and Budget for FY 2009 is part of the Annual Action Plan for the County's *Five Year Consolidated Plan for FY 2006-2010* (Consolidated Plan) and will serve as the County's formal application to HUD and to the State for the FY 2009 grants.

**DISCUSSION:** The Recommended FY 2009 CD Program and Budget is based on a CDBG grant amount of \$1,753,768 (a reduction of \$108 from amount in the Proposed Budget for FY 2009), and an estimated CSBG grant of \$251,100. The City of Falls Church CDBG portion is \$82,607, leaving \$1,671,161 for Arlington to allocate. The FY 2009 CDBG and CSBG recommendations are being made for one year, the second year of a two year award cycle.

The performance and capacity of each Community Development subrecipient has been reviewed against contract requirements and organizational development guidelines. Most organizations have been held to FY 2008 funding levels. Two new activities have been added using AHIF Housing Services funds. The activities are aimed at preventing homelessness caused by foreclosures (AACH) and increasing efforts to identify permanent housing for homeless persons (A-SPAN).

Authorization is needed for the County Manager to execute agreements with subrecipients to convey Grant and AHIF funds as outlined in the Proposed Budget and Attachment 1. Included in each agreement is the scope of services to be provided, line item budget, federal requirements, and performance measures. Authorization is also needed for the Manager to sign certifications, such as Lead Based Paint, Excessive Force, and Community Development Plan that are required by HUD and the Virginia Department of Social Services.

CDBG loan programs receive loan repayments that become program income. AHC Inc. and EDG have been approved by the Board as revolving loan funds and the repayments are kept by the subrecipient to be loaned out again. CDBG regulations require that program income funds be allocated annually to the grant year in which they are received and are to be used as additional funding for CDBG eligible activities.

#### FY 2008 CSBG Funds

The State recently increased Arlington's Community Service Block Grant funds for FY 2008 by \$65,216. CSBG funds are typically increased during the fiscal year, but amounts are not certain until the federal budget is passed. In considering how to allocate these additional funds, staff first determined to restore current programs that were to be reduced for the FY 2009 CSBG recommendations. (The State advised Arlington to plan on 10% less CSBG funding for FY 2009.)

Next, staff reviewed requests received last fall in response to the CD/AHIF Housing Services Notice of Funding Availability. Eight proposals were submitted for funding and five are recommended for FY 2009 AHIF or CDBG. Two proposals were not eligible for CSBG support and the remaining proposal (Northern Virginia Family Services Senior Money Management) will be addressed, in part, by these recommendations.

In light of the current critical need for emergency food and other assistance, and because the purpose of the CSBG program is to address issues impacting families in poverty, staff recommends:

- \$2,000 to Virginia Justice Center for Legal Counseling for Employment. This restores the FY 2009 reduction.
- \$2,000 to Just Neighbors Ministry for Immigration Legal Services. This restores the FY 2009 reduction.
- \$2,000 to Offender Aid and Restoration (OAR) for Community Involvement in Re-Entry. This restores the FY 2009 reduction.
- \$39,216 to Arlington Food Assistance Center (AFAC). This restores the FY 2009 reduction, in addition to providing additional funds to address the increased demand for supplemental groceries for low-income Arlington residents. AFAC faces a deficit caused by rising food prices in combination with a 30 percent increase in demand for services. This increased demand is part of a long-term trend and is expected to grow as further increases in cost of living put financial pressure on low-income families.
- \$10,000 to Arlingtonians Ministering to Emergency Needs (AMEN). AMEN received CSBG funds in FY 2007, but was not allocated FY 2008 funding. This will fund furniture bank operations and provide emergency assistance to prevent evictions. AMEN operations provide basic home furnishings to families and individuals coming out of shelters. AMEN is a key partner in the County's Permanent Supportive Housing Program, which links affordable housing with flexible community-based support services to assist persons with disabilities achieve independent housing.
- \$10,000 to Department of Human Services for tax filing and outreach to low income senior citizens. This responds to CDCAC's recommendation regarding money management for elder residents. The program will educate and assist them with submitting a 2007 federal income tax return, thereby entitling estimated 250 eligible seniors to receive a federal stimulus rebate. Many low-income older Arlington residents do not file a federal income tax return with the IRS and may miss out on the stimulus rebate. Funds will expand upon DHS Elder Readiness outreach activities that include tax preparation assistance at senior centers and federally assisted retirement housing.

**Citizen Participation:** The Community Development Citizens Advisory Committee (CDCAC) reviewed the County Manager's FY 2009 Recommended Budget on March 5, 2008 and its comments are provided in a memo to the County Manager and County Board dated March 22, 2008. In response to concerns expressed by the Committee, staff recommends the CSBG allocation to DHS for tax filing assistance for low income seniors. This recommendation was reviewed and approved by the CDCAC at its meeting on April 2, 2008.

The Housing Commission reviewed the County Manager's recommendations regarding AHIF Housing Services funds on December 6, 2007. The Housing Commission supports the allocations to AACH, A-SPAN, Doorways and Borromeo.

Public comments on the CD FY 2009 Proposed Program and Budget were also received at the County Board budget hearing on March 25, 2008. Community comments and staff responses related to the Community Development FY 2009 Program are summarized in Attachment 2.

**FISCAL IMPACT:** There is no impact on net tax support. The recommendation leaves a balance of \$282,789 in unprogrammed CDBG funds. Regarding the AHIF allocation, \$100,000 is allocated from FY 2009 AHIF funds, projected to be \$6,227,932. \$2,200 is allocated from FY 2008 AHIF funds, leaving a balance of \$2,420,827.

## SUMMARY OF COMMUNITY COMMENTS AND STAFF RESPONSES

### Draft FY 2009 Annual Consolidated Plan

This summarizes comments from the community on the draft FY 2009 Annual Consolidated Plan. Staff has received this community feedback through the County Board FY 2009 Budget Hearing on March 25, 2008 and other community meetings and contacts.

#### Human Service Issues and Priorities

In light of significant pressure on the FY 2009 budget, the County Manager proposed almost \$450,000 in reductions from the Department of Human Services programs and staff. Many people commented on these proposed cuts and the impact on County residents and clients.

Representatives from the Commission on Aging, the Long Term Care Commission, and the Community Services Board urged the County Board not to reduce social workers and therapists in Adult Services and substance abuse services. They also urged funding for peer support staff at Clarendon House, salary increases for direct staff at residential services, and funding for a second case manager to provide support for transitional services for youth with mental disabilities who are becoming adults. Clients are still on lengthy waiting lists for services.

Representatives of the Arlington Interfaith Council and Our Lady Queen of Peace urged the Board to consider that many members of our community are feeling pain. They asked: How much do we tax ourselves for what we say is important? They said that investments in these programs actually reduce costs in our community.

Representatives commended the County Manager for increased funding in the base budget for nonprofits, English as a Second Language (ESL) classes and Oak Springs Assisted Living costs. They expressed concern about the budget cuts in DHS and are disappointed that ½ of the million dollar proposed FY 2009 cut is from DHS programs.

*Staff Response: Because of the unusually constrained budget, the County Manager has recommended staff and service reductions. In spite of this, nonprofit providers have been recommended to receive 3% increases for personnel and operating expenses. Funding for ESL training is increased and pre-operation costs for the Arlington Assisted Living Residence is included.*

#### Affordable Housing and Homeless Services

Many representatives expressed concern that County's shelters house less than half of its homeless population and the future of Emergency Winter Shelter is uncertain. The Housing First

model is supported as an important one for serving homeless persons. Lucy Yohn spoke in support of the proposal to fund a Director of Housing for Arlington Street People's Assistance Network (A-SPAN) to aid County efforts to prevent homelessness. This position will help to implement the Ten Year Plan to End Homelessness. Catherine Cooke, Brenda Landsdown, a Doorways client, and a member of St. Charles Borromeo Church supported A-SPAN and Doorways programs. They advocated increases in the Housing Grants amount. Fred Cain also supported A-SPAN and its homeless bagged meals program. The combination of bagged meals and volunteers is critical to raise awareness of homelessness in Arlington.

Susan Retz spoke on behalf of the Alliance for Housing Solutions (AHS). AHS supports increasing the Affordable Housing Investment Fund (AHIF) by \$3 million, bringing total County contribution to \$8.2 million. AHS further recommend increasing transitional housing rental grants to \$409,200 for homeless families. She pointed out that funding for the County Housing Grants program has remained the same for several years. AHS supports the Housing Commission recommendations to review the grant levels.

Linda Dunphy, representing Doorways, expressed appreciation for 5% increase in their budget. She asked the Board to increase the transitional housing grant by \$300,000, as well as making housing grants more accessible to low income working families. Rules should allow for education and training without being cut from the program. Several others spoke about Doorways services and HOMESTART that offers temporary housing subsidy while they are learning skills. Judith Stearns, a Doorways Board member also expressed support for increases to transitional housing grants.

Kathleen MacSweeney said the shelters are seeing increase in homeless need and current level of funding falls short. The County adopted a plan to end homelessness that articulates a comprehensive plan and recognizes that the cost of homelessness is great burden. Rental assistance and transitional housing grants do help.

*Staff Response: AHIF Housing Services funds are recommended for the A-SPAN Director of Housing, as well as for Borromeo Transitional Housing for young mothers and children, continuation of financial literacy training (in Spanish) for families residing at the Doorways for Women and Families shelter, and Arlington Alexandria Coalition for the Homeless (AACH) Family Stability project to prevent homelessness. Increases are also proposed for the Housing Grant asset limits for elders.*

## **Food Assistance**

Jim Whelan, one of the Board of Directors of Arlington Food Assistance Center (AFAC) said that AFAC set a new record of serving families - 868 families in one week. This increase of clients is straining resources and AFAC will have \$45,000 deficit in the year ending June 30. AFAC raised \$90,000 in December, double the amount from last year. The Arlington Nonprofit Assistance Center consultants are helping AFAC increase its capacity for fund raising. Lenora Sowa, a regular volunteer at AFAC, also spoke in support of the request for increased funding.

*Staff Response: Economic conditions have put increased burden on service providers that deliver food and emergency assistance. Allocation of FY 2008 CSBG funds is recommended for AFAC and AMEN to address the demand from low income Arlington residents.*

### **Community Development Program and Budget**

Two representatives from Ethiopian Community Development Council (ECDC) expressed appreciation for the County support of its programs that serve African refugees.

Gail Arnall, Executive Director of Offender Aid and Restoration (OAR) expressed thanks for County support and provided updates on OAR programs. She encouraged support of DHS case worker position and other budget cuts as there are linkages between programs.

Andres Tobar, Director of Shirlington Education and Employment Center (SEEC) observed that CDBG and County funding have been provided for many years. SEEC has been charged to provide a safe environment for laborers and employers, but is facing new challenges now. Available jobs are dropping to 200 per month. Day workers have mental health issues and other challenges. He urged the Board to bring people together to identify needs of low income County residents.

Larry Withers, Chair of the Community Development Citizens Advisory Committee (CDCAC) expressed Committee support for the County Manager's CD budget as proposed. One change recommended by the Committee is to support senior money management or find some way to assist seniors with filing taxes to obtain payments from the federal economic stimulus package

Caridad Palerm, Executive Director of BRAVO (Buyers and Renters Arlington Voice) said the organization is now working in nine complexes, assisting over 2000 tenants. Five hundred tenants have been helped with relocation issues. BRAVO has an Individual Development Account (IDA) program to help tenants save money for vehicles, education and downpayment for a home. BRAVO appreciates the County support and wants the same level of funding in FY 2009.

*Staff Response: In response to the recommendation by CDCAC, the County Manager recommends allocation of FY 2008 CSBG funds to assist low income seniors to file tax returns. This will enable them to be eligible for the 2008 Economic Stimulus payment. BRAVO is recommended for the same level of funding in FY 2009 for tenant outreach and organizing activities.*