

**County Board Agenda Item
Meeting of October 18, 2008**

DATE: October 1, 2008

SUBJECT: Appropriation of Additional Community Services Block Grant Funds for FY 2009

C. M. RECOMMENDATIONS:

1. Appropriate \$94,874 from Virginia Community Services Block Grant (CSBG) funds (101.371935) to the Department of Community Planning, Housing and Development (CPHD) (101.72000).
2. Allocate \$85,000 of CSBG funds to the Child and Family Network Center (CFNC) for the Preschool Readiness Program, operated at Virginia Gardens (101.72409).
3. Allocate \$9,874 of CSBG funds to Department of Human Services, Arlington Employment Center (AEC), for Employment and Training Programs (101.72409).
4. De-obligate \$85,000 of FY 2009 Community Development Block Grant funds allocated to CFNC in April 2008 (206.72405).
5. De-obligate \$9,874 of FY 2009 CDBG funds allocated to AEC in April 2008 (206.72405).
6. Allocate \$94,874 of FY 2009 CDBG funds to the CDBG Housing Development Fund for future projects (206.72405).

ISSUE: Newly received CSBG funds can be used to replace CDBG funds previously allocated by the Board in April 2008 that can no longer be used for public service eligible activities. There are no issues involved with this action.

SUMMARY: The County was recently awarded \$345,974 Virginia Community Services Block Grant (CSBG) funds. This is \$94,874 more than anticipated when the FY 2009 Community Development Program and budget was approved by the Board in April. At the same time, the County is poised to exceed the amount of CDBG funds that are permitted for Public Service eligible activities because of an unanticipated reduction in CDBG program income receipts.

BACKGROUND: In preparation for the FY 2009 Community Development Program budget, staff estimated the FY 2009 CSBG contract amount at \$251,100. Staff also estimated \$1,700,000 CDBG program income would be received in FY 2008. Since then \$94,874 additional CSBG funding has been awarded and only \$942,412 CDBG program income was received.

The CDBG regulations allow funding of Public Service eligible activities up to 15% of the annual grant amount, plus program income received during the previous fiscal year. Because the housing market slowed drastically in FY 2008, program income was substantially less than expected. In order to comply with CDBG regulations, the County must “de-obligate” several FY 2009 CDBG public service activities. The new CSBG funds can be used to “hold harmless” those programs already approved by the Board, but Board action is required to replace CDBG funds with CSBG funds.

DISCUSSION: Staff recommends de-obligation of \$85,000 CDBG funds allocated to CFNC as part of the FY 2009 Community Development Program, and de-obligation of \$9,874 CDBG funds allocated to the Arlington Employment Center. These funds will be replaced with CSBG funds in the same amounts, to be used for the same purpose. Because CSBG funds are intended for human services aimed at very low income persons, these funds can be allocated to two approved activities serving families at or below 200% of the poverty level, replacing \$94,874 CDBG funds.

Further, it is recommended that the de-obligated \$94,874 CDBG funds be allocated to the CDBG Housing Development Fund, to be used for future housing development projects.

Citizen Comment: The Community Development Citizens Advisory Committee will meet on October 15, 2008 and review this recommendation. Action taken at that meeting will be summarized in a memo to the Board.

FISCAL IMPACT: The appropriation of newly received CSBG funds will increase the County's General Fund revenue and expense budgets by \$94,874 for FY 2009.