



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of April 21, 2007**

DATE: March 30, 2007

SUBJECT: Adoption of the Community Development Program and Budget for Fiscal Year (FY) 2008, including allocation of AHIF Housing Services funds.

C. M. RECOMMENDATIONS:

1. Approve the Community Development Program and Budget for FY 2008 as described in the Proposed Budget for FY 2008, (Section N, Pages 15- 25), with reduction of \$7,346 to Administration/Planning line item and \$363 to the total Falls Church line to reflect the actual grant amount. (Attachment 1)
2. Authorize the County Manager to sign contracts and documents (1) to make grants in FY 2008 as shown in the Proposed Budget for FY 2008, and (2) as may be required by 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, and (4) to enter into contracts for 2 year periods with a specific reservation for Board authorization for the second year, contingent upon federal funding.
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 \$90,000 from the FY 2008 Affordable Housing Investment Fund (AHIF) (101.456300.91102) in housing services funds to three programs: \$25,000 for the Financial Literacy Skills Project by Doorways for Women and Children; \$40,000 for the Transitional Housing by Borromeo Housing; and \$25,000 for the Youth Housing Specialist by Department of Human Services.
5. Authorize the County Manager to execute the required documents to convey the AHIF grant up to \$90,000 in total to Doorways for Women and Children, Borromeo Housing, and to DHS.

County Manager: _____

County Attorney: _____

Staff: Jane M. Eboch, CPHD/Housing Division

6. Allocate \$90,000 from the CDBG Housing Development Revolving Fund (206.378100.72405.0000.0668.0000) to the CDBG Program within CPHD (206.438200.72405.0000.0668.6IDA) for architectural services to prepare feasibility studies for potential housing development or mixed use projects for nonprofit developers.
7. Appropriate \$52,929 in FY 2007 Virginia Community Service Block Grant funds to the Department of Community Planning, Housing and Development (CPHD) (101.72409), an increase from \$279,718 CSBG funds appropriated on June 10, 2006.
8. Allocate \$25,000 in FY 2007 Virginia Community Service Block Grant funds to Vanguard Services Unlimited (101.52205) for counseling services for clients in the Phoenix program.
9. Allocate \$27,929 in FY 2007 Virginia Community Service Block Grant funds to DHS (101.54101) for County's Continuum of Care services that will address the needs of homeless individuals and families.

ISSUE: None.

SUMMARY: Board approval is needed for actions related to the administration of Arlington County's FY 2008 CDBG Entitlement grant 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 two nonprofits and to DHS to implement housing service projects. The State recently increased the FY 2007 CSBG grant amount and Board action is required to appropriate and allocate the additional funds.

BACKGROUND: The Community Development Program and Budget for FY 2008 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 2008 grants.

DISCUSSION: The Recommended FY 2008 CD Program and Budget is based on a CDBG grant amount of \$1,809,216, and an estimated CSBG grant of \$279,718. The City of Falls Church CDBG portion is \$85,214, leaving \$1,724,002 for Arlington to allocate. These CDBG and CSBG recommendations are being made for a two year award period, assuming satisfactory performance and funding availability to continue to support the programs.

Several things impacted allocation of the grant funds this year. First, the Community Services Block Grant (previously administered by Arlington Community Action Program) increased resources for human service activities. Second, planning and administrative costs were reduced by \$321,000 by eliminating CDBG support for three positions in the Neighborhood Services Division. Also, County agencies delivering Neighborhood Strategy Area (NSA) activities were precluded from applying for CDBG funds this year. All these factors resulted in more resources available for nonprofits.

The process was changed in other ways this year as well. A Community Development Fund was earmarked for human and public service proposals, while ongoing housing development, housing services and economic development activities were considered in a more limited staff review. Sixteen proposals were received in September for consideration for the Community Development Fund.

As instructed by the Board, County staff worked with CDBG subrecipients and CDCAC to develop guidelines for administration and implementation of the Community Development Fund. These will be used to ensure that as Consolidated Plan priorities are met, nonprofit service providers are moving toward long term sustainability.

Most organizations have been held to current funding levels. Three new activities have been added, including Doorways Financial Literacy, Northern Virginia Family Services Dental Link and Offender Aid and Restoration Re-Entry project.

The Community Development Fund recommendations are being made for a two year award period, a new procedure that was approved by the Board in September. This enables more predictable budgeting by subrecipients. Awards for FY 2009 are subject to the County's receipt of grant funds and appropriation of the funds during the annual budget process next year. The performance and capacity of each Community Development subrecipient will be reviewed against contract requirements and organizational development guidelines.

In addition to the Entitlement grant, staff recommends allocating:

- up to \$38,000 of AHC's Moderate Income Purchase Assistance Program (MIPAP) funds;
- \$175,000 AHC Multi Family and Single Family Revolving Fund for program administration;
- \$90,000 AHIF Housing Services funds to Doorways for Women and Families, Borromeo Housing, and to DHS;
- \$25,000 unprogrammed CDBG funds to the Child and Family Network
- \$50,000 unprogrammed CDBG funds to AED for the Nonprofit Assistance Network.

AHIF Housing Services funds are recommended to be used as follows:

- \$25,000 for Doorways to provide a new Financial Literacy program in Spanish at its family shelter in order to help women resolve financial issues that hinder self-sufficiency;
- \$40,000 for Borromeo to expand its transitional housing program and services to four young mothers and their children from current level of two families;
- \$25,000 to the Department of Human Services for second and final year of AHIF funding for a Youth Housing Specialist to assist seriously mentally ill young people transition to appropriate housing.

Virginia Community Service Block Grant funds for FY 2007 were recently increased by \$52,929 from \$279,718 CSBG funds appropriated by the Board on June 10, 2006. The additional CSBG funds are recommended to be used as follows:

- \$25,000 for Vanguard Services Unlimited for counseling services for clients in the Phoenix program that serves chemically dependent individuals and
- \$27,929 will be held in reserve by DHS for County's Continuum of Care services pending clarification of a potential reduction in Emergency Shelter Grant funds from HUD.

The Housing Division contracts for the services of architectural firms to prepare feasibility studies for potential multi-family housing development and mixed use projects for nonprofit housing developers. This involves on-site inspections of buildings and sites to evaluate the level of rehabilitation needed, and provide a written report of findings. The architects may also be assigned to assess buildings owned by the County and/or in which County funded programs are operated. It is recommended that funding for three years (\$30,000 per year) be allocated.

The recommendation leaves a balance of \$250,090 in unprogrammed CDBG funds, \$1,500,000 in the Housing Development Revolving Fund, and approximately \$700,000 in MIPAP funds. AHIF Housing Services are funded up to \$100,000 each year.

The County recently launched an exciting initiative for Arlington's nonprofits. The Nonprofit Assistance Network includes consulting and coaching services from Virginia Tech's Nonprofit and Civil Society Program, workshops on a variety of topics, and a resource center at Central Library. CDBG unprogrammed funds in the amount of \$50,000 is available for CDBG or CSBG subrecipients to participate in this program.

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 CDBG certifications, such as Lead Based Paint, Excessive Force, and Community Development Plan that are required by HUD.

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.

Citizen Participation: The Community Development Citizens Advisory Committee (CDCAC) reviewed the County Manager's FY 2008 Recommended Budget on March 7, 2007 and its comments are provided in a memo to the County Manager and County Board dated March 23, 2007. CDCAC concurs with the Manager's Recommended CD Budget with the following additional comment: The Committee urges the Shirlington Employment and Education Center (SEEC) to solicit contributions from the business community that could help support the day laborer program.

The Housing Commission reviewed the County Manager's recommendations regarding AHIF Housing Services funds on March 8, 2007. The Housing Commission supports the allocations to DHS, Doorways and Borromeo.

Public comments on the CD FY 2008 Proposed Program and Budget were also received at the County Board budget hearing on March 27, 2007. Community comments and staff responses are summarized in Attachment 2.

FISCAL IMPACT: In the FY 2008 budget, CDBG support is eliminated for several of PRCR's programs, including the TREK after school program at Gunston Middle School, the Community Spokes bike shop program, and Arlington Mill Senior REACH program. Funding for these programs is restored in the Housing and Human Services Policy Priority in the Manager's Proposed Budget for FY 2008. CDBG support is also eliminated for 5 FTEs in CPHD.

Regarding the AHIF allocation, \$90,000 is allocated from FY 2008 AHIF funds, projected to be \$5,428,412. The FY 2008 AHIF funding is supported with \$1,012,286 in federal HOME funds, \$1,428,412 from the increase in the recordation tax rate and the balance is from local tax funds.

**SUMMARY OF COMMUNITY COMMENTS AND STAFF RESPONSES
on the Draft FY 2008 Annual Consolidated Plan**

This summarizes comments from the community on the draft FY 2008 Annual Consolidated Plan. Staff has received this community feedback through the County Board budget hearing on March 27, 2007 and other community meetings and contacts.

Restoration of LPACAP-Funded Programs: Several members of the Community Services Board and the Arlington Interfaith Council urged the County Board to restore \$400,000 in funding for two programs (school-based and out patient therapists and dual diagnosis services) and \$370,000 in funding for three programs (to address substance abuse, support Clarendon House, and provide mental health services for the inmate population).

A petition signed by 71 Queen of Peace parishioners was presented at the budget hearing. The petition urged full restoration of the \$7.5 million originally funded by LPACAP from local tax revenues.

Staff Response: The following is a comparison of Community Services Board priorities (as laid out in a March 19, 2007 letter) and the priorities in the County Manager's proposed budget.

Community Services Board Request LPACAP Restoration – Tier I	County Manager's Human Services Policy Priorities
School-based Mental Health Therapists (\$261,541, 4.0 FTE)	Yes
Substance Abuse Therapist (\$66,675, 1.0 FTE)	Yes
Dual Diagnosis Therapist. (\$77,544, 1.0 FTE)	Yes
Arlington Assisted Living Residence (\$130,000)	Yes – costs predicted over \$2M by FY 2010
Permanent Supportive Housing (\$370,000)	No
Substance Abuse Prevention in Schools Program (\$75,000, 1.0 FTE)	No
Mental Health – Clarendon Clubhouse temporary support (\$25,000)	No
Mental Health Therapists in Jail Mental Health Unit (\$150,000, 2.0 FTE)	No
Residential Substance Abuse Services (\$120,000)	No

Permanent Supportive Housing: A member of the Community Services Board (CSB) asked that the Board continue its support of supportive housing. One member of the public specifically requested \$500,000 in supportive housing for persons with mental disabilities, noting that the ratio of clients to case managers were particularly high.

Staff Response: Staff agree that supportive housing should be prioritized. The County Manager's Proposed FY 2008 Budget includes \$130,000 for the pre-opening costs for the Arlington Assisted Living Residence, which will require additional funding for the full operating

costs. The proposed FY 2008 budget does not include the additional \$370,000 for a supportive housing funding pool as requested by the CSB.

Support for Homeless Services: Representatives from Doorways for Women and Families urged the County to provide matching funds for costs related to its Freddie Mac Foundation Home.

Staff Response: The County Manager's Proposed FY 2008 budget includes \$471,358 in operating costs for Doorways. Increasing funds for Doorways ranks below restoring other LPACAP cuts to human services such as the Permanent Supportive Housing Program. The Manager's budget recommends that \$25,000 in Affordable Housing Investment Fund (AHIF) Housing Services funds be allocated for Doorways for its Financial Independence Track (FIT) program, an educational financial literacy service for women/fathers at shelters and in transitional housing.

Expand the Emergency Winter Shelter (EWS) to a Year-Round Shelter: Representatives from the Arlington Street People's Assistance Network (A-SPAN) and other community members recommended that EWS, which currently limits shelter access to November 1 through March 31, be expanded to a year-round shelter. Most of the shelter users are working adults who cannot afford the cost of housing in Arlington. A-SPAN provides services to over 800 persons per year.

A petition signed by 55 Queen of Peace parishioners supported the Emergency Winter Shelter operating year round.

Staff Response: The staff recommendation is not to expand services year-round at this time at the current location. This policy can be re-assessed when the shelter moves because of development in the area.

Increased Funding for Arlington Food Assistance Center (AFAC): Several speakers requested \$120,000 in County funding for AFAC, which serves over 600 families weekly.

Staff Response: Staff supports additional funding.

Support for the Re-engineering of the CD Program: The Chair of the Community Development Citizen's Advisory Council (CDCAC) spoke to the Board about the success of the new Community Development Fund and the review of proposals. The Committee endorses the administrative guidelines developed by staff and subrecipients to ensure that nonprofit service providers are moving toward long-term sustainability. The Committee appreciates the County Manager's adjustments to the budget that have made it possible to preserve the essential mission of the program.

Arlington Public Schools: Representatives spoke on behalf of the Young Fathers/Caring Equation Program, listing the many benefits gained by men enrolled in the program. It encourages young fathers to be involved in parenting and will lose federal funding at the end of FY 2007.

Staff Response: Community Development Fund guidelines preclude FY 2008 funding requests for County and School programs. The Young Fathers Program is receiving limited CSBG support in FY 2007.

Liberty's Promise: Representatives from Liberty's Promise described this program which encourages teenagers from immigrant families to become informed about civic participation in the United States. It also places them in internships in the community. The Executive Director noted that no support was provided for the program in FY 2008.

Staff Response: Although Liberty's Promise appears to be a successful program model, it is similar to several programs currently funded by CDBG and CSBG, such as Project Discovery and the Youth Brigade. With limited funds, this new program was not considered high priority by staff or CDCAC.

Culpepper Gardens: The Chair of the Board of Directors spoke about the challenge that the organization faces with many elders in need of daily living assistance. At this time 30 of the 73 units in the assisted living wing receive added subsidy from the County for assisted living services.

Staff Response: Staff concurs that over time there will be a growing number of elders who will need this additional subsidy.

Appreciation for Funding: Representatives of the following organizations expressed appreciation for the recommended funding for their programs.

L'Arche: Mr. Norton thanked the County for its support of its new group home for persons with disabilities in south Arlington. The home will be fully accessible outside, thanks to a onetime CD Housing Development grant for a ramp to the home's backyard.

AHC: Several representatives from AHC thanked the County Board for its continuing support and reminded the Board of the continuing affordable housing challenges. Both pointed out the critical need for the County operated Outreach Center at AHC's Berkeley Apartments.

Ethiopian Community Development Council (ECDC): Representatives from ECDC thanked the Board for their support of programs to assist immigrants. Many services are provided by ECDC, including micro enterprise loans and space for small business incubator.

Shirlington Employment and Education Center (SEEC) and Arlington Food Assistance Center (AFAC): The Executive Director of SEEC thanked the Board for funding its program to assist day laborers in finding employment. He also noted the need for increased funding for AFAC, where he is a member of the Board. AFAC has been serving more than 700 families each week.

Offender Aid and Restoration (OAR): Representatives thanked the Board for support of its programs, including a nonprofit business. It will launch a faith-based mentoring program to encourage community support for ex-offenders, funded by CSBG.