

HUD Narratives

FY 2008 Annual Action Plan

Approved by the County Board on April 21, 2007



DEPARTMENT OF COMMUNITY PLANNING, HOUSING &
DEVELOPMENT

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Executive Summary

The Executive Summary is optional, but encouraged. If you choose to complete it, please provide a brief overview that includes major initiatives and highlights that are proposed during the next year.

Program Year 1 Action Plan Executive Summary:

The Executive Summary is Attachment I, labeled FY 2008 Annual Action Plan Citizen Summary.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 1 Action Plan General Questions response:

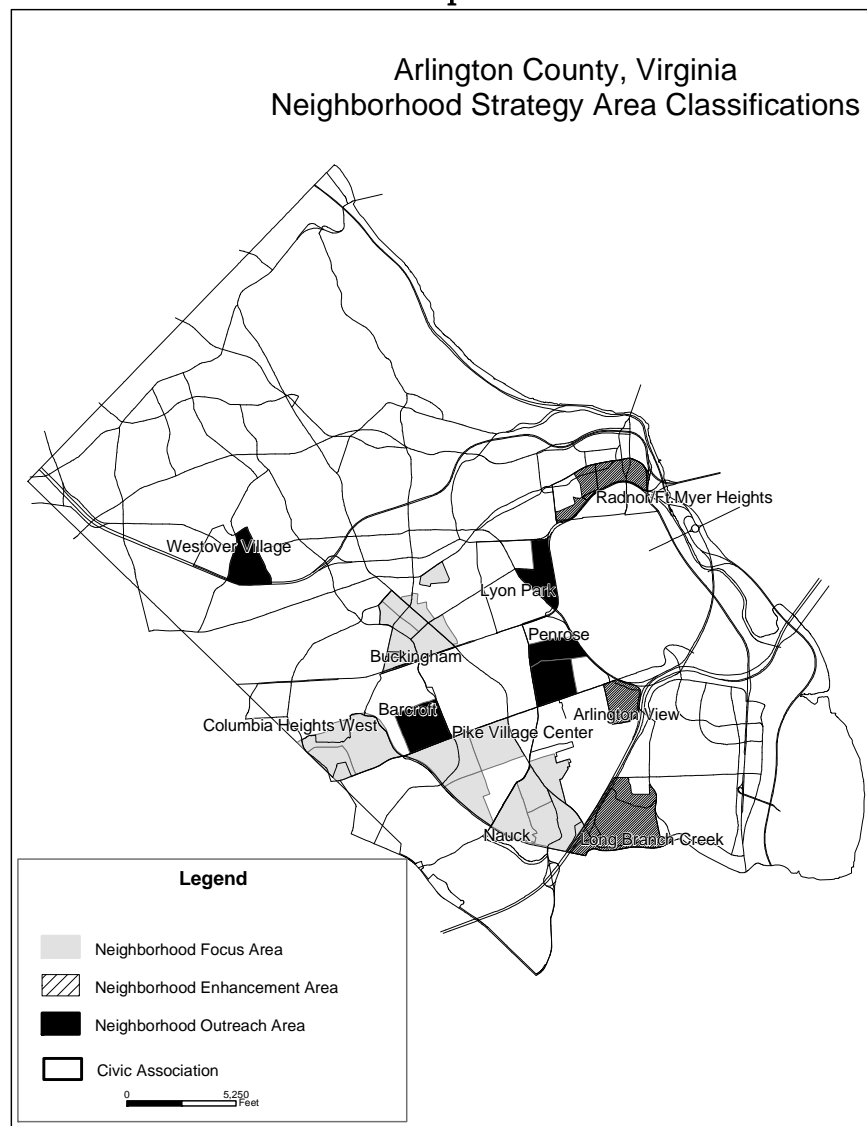
Arlington conducts a variety of countywide and neighborhood-specific housing and community development activities that benefit low and moderate income households, using federal, state and local resources. The County combines its HOME funds annually with local resources to create the Affordable Housing Investment Fund (AHIF). These funds are used countywide for new construction, acquisition and/or rehabilitation projects to preserve and improve the supply of affordable housing. Arlington uses the majority of its CDBG funds for “direct benefit” housing and community development activities that are limited to low and moderate income residents countywide. This past year, the County was designated the Community Action Agency for Arlington and is utilizing Community Services Block Grant (CSBG) funds to address the needs of very low income persons and families County-wide.

For more than 20 years, the County has concentrated a portion of its CDBG funds in Neighborhood Strategy Areas showing the greatest needs and opportunities for revitalization, as determined by income and other socio-economic criteria and trends. NSA designation is limited to areas where at least 51% of the residents are low and moderate income, making the areas eligible under Federal regulations for “area benefit” CDBG activities. The County uses approximately 10% of its annual CDBG funds on “area benefit” activities through its Neighborhood Strategy Area (NSA) program. Additionally about 5% of the annual allocation is made to public service activities that serve residents of the NSAs. About 14% of the CSBG

funds available in FY 2008 will support programs delivered to NSA residents. Other programs funded by CSBG, such as employment training, will be available to NSA residents as well as low income persons County wide.

Following an NSA re-designation process in 2003, the County Board adopted eleven NSAs in April 2004 (up from a previous total of four) and a three-tiered neighborhood classification system in which neighborhoods were assigned. Map I shows the location of the 11 designated areas, which are one or more block groups within the following neighborhoods: Arlington View, Barcroft, Buckingham, Columbia Heights West¹, Douglas Park, Lyon Park, Long Branch Creek, Nauck, Penrose, Radnor/Ft. Myer Heights and Westover.

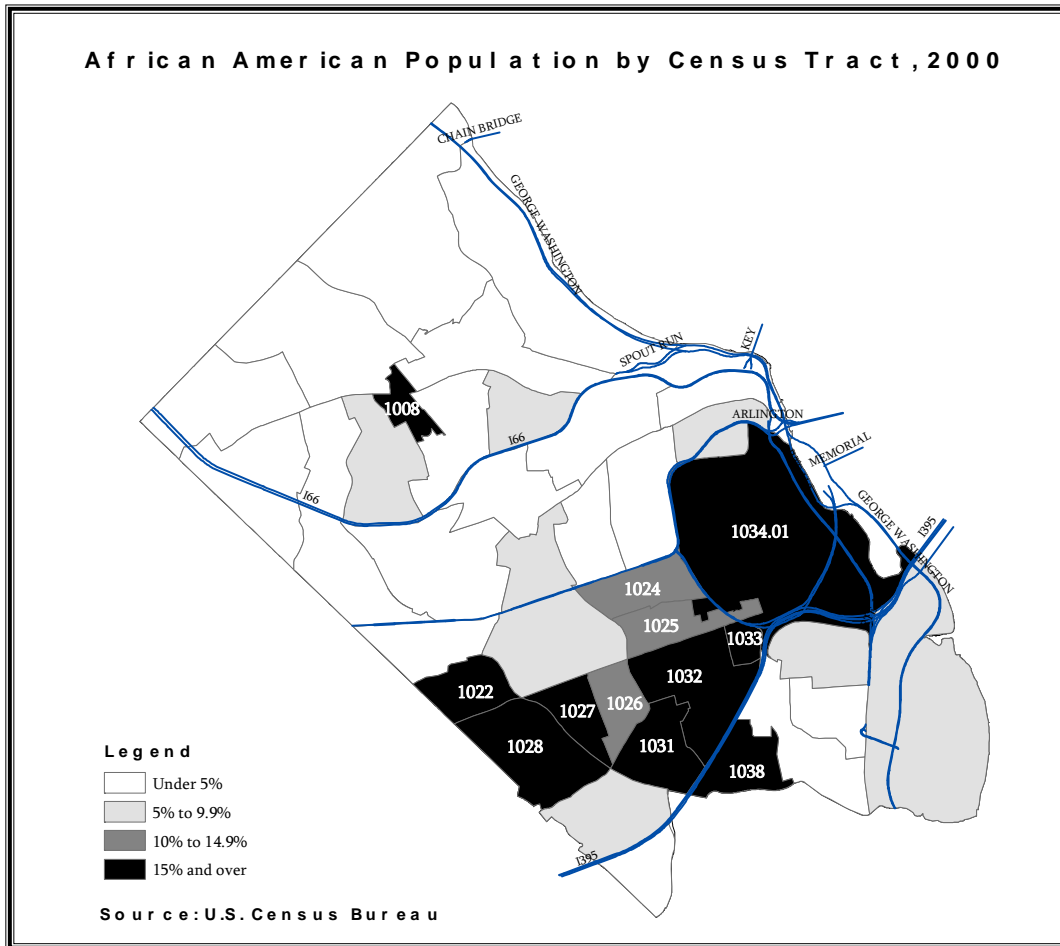
Map I



¹ The Forest Glen neighborhood adjacent to Columbia Heights West is now included in its NSA boundaries.

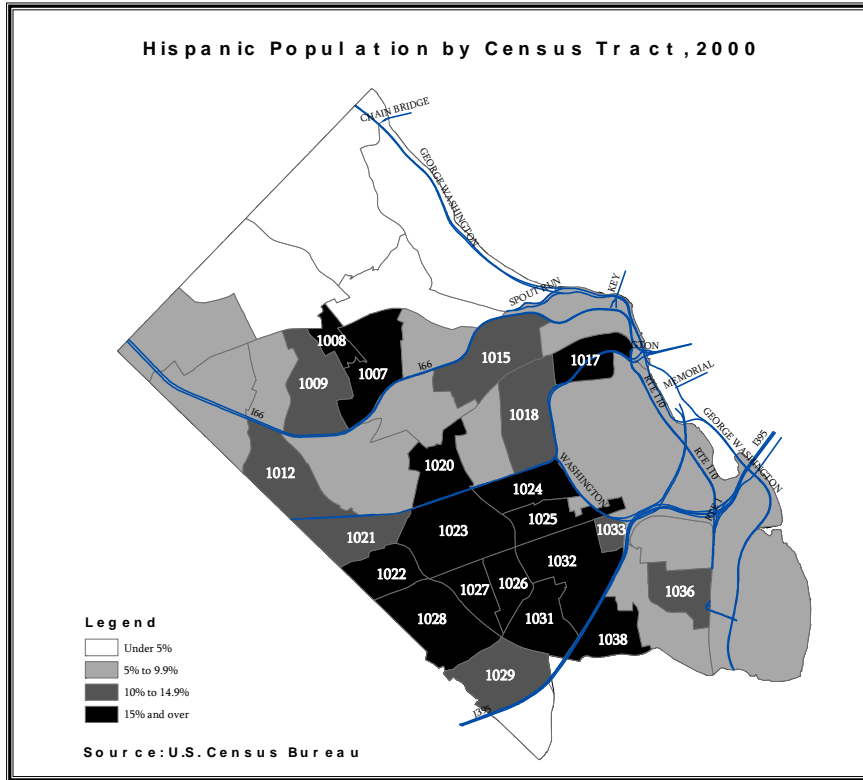
Maps II, III and IV show the distribution of African-Americans, Hispanics and Asian-Americans in the County. Several areas of minority concentration² existed in the County in 2000. Particularly high concentrations of African-Americans were found in three locations: High View Park, Nauck and Arlington View in which 45.4%, 59.9% and 62.4% of the total population, respectively, are African-American. The concentrations of African-Americans have decreased in each of these three neighborhoods since 1990. These percentages compare with the County's overall African-American population of 9.3%.

Map II

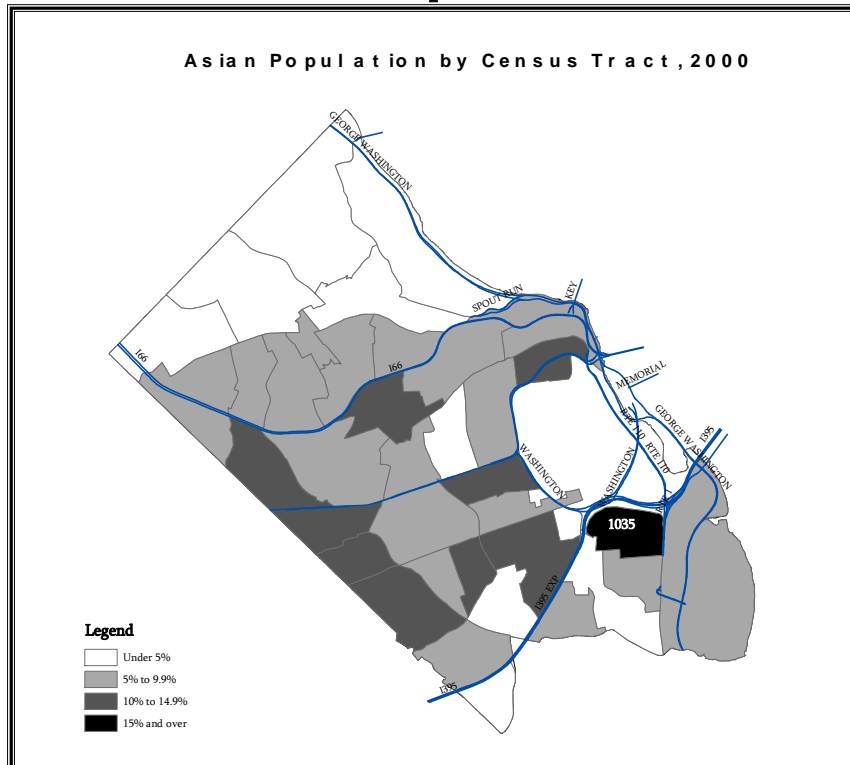


² Areas of concentration, as defined by HUD guidelines, are those with double the regional average percentage of a particular population. For example, if 10% of the region's population is members of a minority group, an area of concentration of that minority would be an area with more than 20% of that minority.

Map III



Map IV



Two of these neighborhoods—Nauck and Arlington View—are Neighborhood Strategy Areas. The fact that High View Park, Nauck and Arlington View are historic African-American neighborhoods dating back to the Civil War accounts, in part, for their high concentration of African-Americans.

With 18.6% of the population of Hispanic ethnicity in 2000, four census tracts had concentrations of more than 45% Hispanic persons. The neighborhoods with the highest percentage of Hispanic residents were Douglas Park with 55.7%, Long Branch Creek with 55.4%, Columbia Heights West with 50.4% and Buckingham with 46% (census tracts 1027, 1038, 1022 and 1020). All of these neighborhoods have block groups that are designated NSAs (the block groups within Douglas Park are named the Pike Village Center NSA).

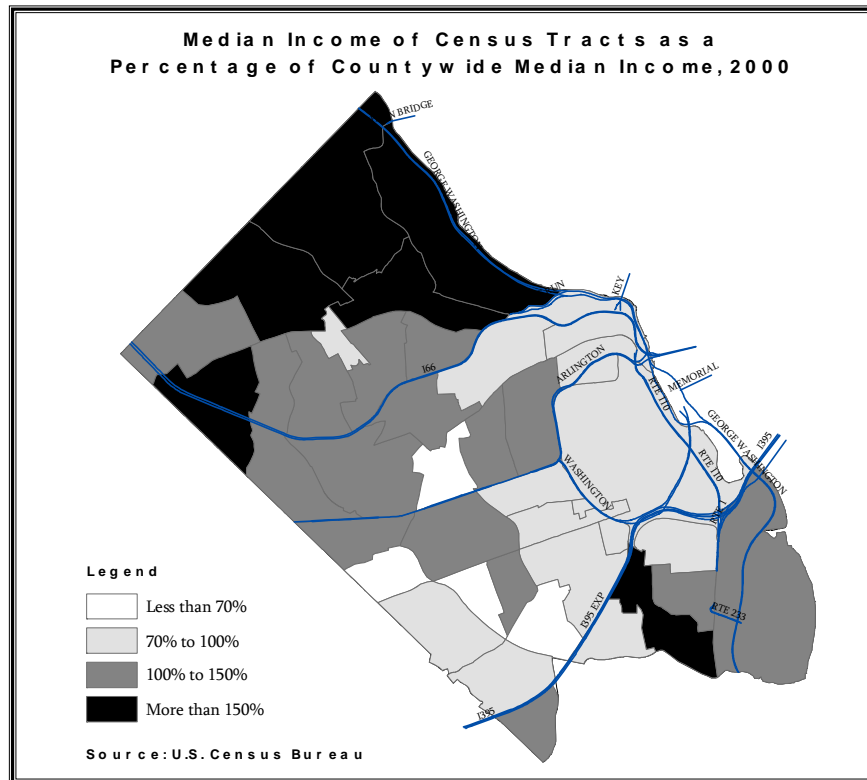
Overall, the Asian population represented 8.7% of the County's total population. While there were small areas of concentration of Asian-Americans in the County, this population was distributed more evenly throughout the County than other minority groups. Pentagon City (at 18.1%) and Glencarlyn (at 14.6%) contained the largest concentrations of Asians (census tracts 1035 and 1021). While a block group within Glencarlyn was income-eligible, the neighborhood decided against NSA designation.

Within the County, there continue to be large disparities in income by geographic area. In 2000, the County median household income was \$63,001 and the median family income was \$78,877. As seen in Map V, the northernmost census tracts—those located north of Lee Highway—have incomes 150% and higher of the County's overall median income. Two other census tracts in the County—one flanking Lee Highway in the East Falls Church area and one in Arlington Ridge—also have median incomes in this bracket. On the other hand, four census tracts have median incomes 70% and less of the Countywide median income. These tracts are located in the County's first tier NSAs: Buckingham, Columbia Heights West, Pike Village Center and Nauck.

Consistent with national patterns, the 2000 Census found that the median incomes of minority households in Arlington were below those of non-minorities, as shown below. There are also significantly higher percentages of minorities in poverty than of white persons. Between 1990 and 2000, the percentages of white persons and Hispanic persons in poverty both decreased, while the percentages of African-American and Asian-American increased.

Minorities, however, are not unrepresented at higher income levels. Over 62% of all Arlington households had incomes above \$50,000 in 2000, including 38% of all African-American, 48% of Asian-American and 44% of Hispanic households.

Map V



In order to stay informed about neighborhood needs and address obstacles, County staff will facilitate quarterly meetings with service providers in the NSAs to ensure that interagency communication and collaboration continues. The Neighborhood College offered once each year is another avenue to identify issues and develop solutions to problems facing low and moderate income neighborhoods. Because the Neighborhood College offers simultaneous Spanish translation, barriers are reduced for Spanish speakers and trust is developed. Residents are encouraged to get involved in neighborhood and County-wide organizations and forums that can work on their behalf.

During the next year the obstacles to meeting the employment needs of underserved NSA residents will be addressed by continuing computer training classes in NSAs, supporting after school programs that enable parents to work, and providing affordable training opportunities in vocations where workers are needed. Legal assistance will be offered to help immigrants secure work authorization and obtain wages they are due. Technical assistance for microenterprise development will continue to be available in several languages.

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.

Lead Agency

The Housing Division of Arlington's Department of Community Planning, Housing, and Development (CPHD) is the lead agency for the development of the Consolidated Plan. Arlington County receives funds from all four of HUD's formula grant programs covered by the Consolidated Plan: the Community Development Block Grant (CDBG), HOME Investment Partnerships program (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) programs.

The Housing Division administers the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships program. There are 15 subrecipients of the CDBG program, (including the Department of Human Services) that administer a variety of housing, and community development activities. The FY 2008 CDBG, HOME, ESG, HOPWA, CSBG and AHIF Services Projects chart lists the subrecipients.

The County's Department of Human Services (DHS) administers the Emergency Shelter Grant (ESG). The County's ESG allocation funds operating expenses of the Volunteers of America Residential Program Center (RPC) and public health services for shelter clients.

The Washington D.C. metropolitan area is an Eligible Metropolitan Statistical Area (EMSA) that receives Housing Opportunities for Persons with AIDS (HOPWA) funds. Currently the administering agency is the Northern Virginia Regional Commission. The County's DHS receives a portion of the Suburban Virginia HOPWA award, which is one component of the HOPWA award for the D.C. area.

Arlington County administers funding for the CDBG and HOME programs for the City of Falls Church through a Cooperation Agreement. Of Arlington's FY 2008 federal funds, Falls Church will receive \$132,791, including \$85,214 of the CDBG allocation and \$47,577 of HOME. The Falls Church City Council formally approved the City's FY 2008 Annual Consolidated Plan on March 26, 2007.

Consolidated Plan Development

While the Housing Division serves as the lead agency for the development of the Consolidated Plan, a number of other public and private agencies participated in its development. The Institutional Structure portion of this plan fully describes the various divisions and inter-departmental teams that took part in the development of the Consolidated Plan.

The Neighborhood Strategy Area team, including planners and outreach and enforcement staff, developed neighborhood plans in FY 2005 for each of the four Neighborhood Focus Areas (Buckingham, Columbia Heights West, Nauck and Pike Village Center) and the three Neighborhood Enhancement Areas (Arlington View, Long Branch Creek and Radnor/Fort Myer Heights). These plans focus on team activities related to increasing resident participation, improving property maintenance, improving physical structures, and increasing resident access to needed services.

Reduced CDBG funding will impact the level of services available for individual NSAs in FY 2008. While the neighborhood plans will continue to guide activities as much as possible, the amount of funding and staff devoted to implementing the plans will be reduced. The Housing Services Outreach staff will continue to oversee property maintenance and the condition of physical structures, as well as encouraging resident participation and helping them access needed services.

3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.
 - Quarterly meetings of service providers delivering services in the NSAs and other areas of the County will continue to be held. Information about topics of interest will be provided and discussions will identify ways to enhance coordination and collaboration among various public and private agencies.
 - A training session will be provided at least annually to subrecipients to discuss compliance with requirements and provide an opportunity for development of coordinated efforts.
 - Review of proposals submitted for consideration in the Community Development Fund will be undertaken by County staff from various departments and members of the Citizens Advisory Committee.
 - A new capacity-building initiative will be implemented in cooperation with several public and private agencies, and will assist participating nonprofits in developing collaborative partnerships.
 - Health, housing and code enforcement staff will review procedures and collaborate on issues related to lead-based paint.

- Community Development staff will act as liaisons to other County agencies, as issues are identified.

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.

Arlington's goal for citizen participation is to ensure broad participation of Arlington residents and service providers in housing and community development planning, program development, and program evaluation. The Community Development Citizens Advisory Committee (CDCAC) and the Citizens Advisory Commission on Housing (Housing Commission) are the lead groups for the Consolidated Plan citizen participation processes. Both groups were involved in the development of the Five-Year Consolidated Plan (2006-2010).

Revised Community Participation Plan

The Five-Year Consolidated Plan included a revised Citizen Participation Plan, which is now called the Community Participation Plan. The Plan was updated to reflect new outreach mechanisms to ensure broad community involvement. Revisions were also made to the CDCAC Role and Composition section of the Community Participation Plan. The revisions reflect the addition of seven low and moderate income neighborhoods as NSAs and revise the list of member organizations. Member organizations have been identified more generically to allow representation from interest groups and service providers directly involved in Consolidated Plan activities and programs. The Community Participation Plan was endorsed by CDCAC.

In FY 2007 Arlington County was designated the County's local Community Action Agency with oversight and administrative responsibilities for the Community Services Block Grant (CSBG) and Project Discovery funds. The CDCAC was designated to serve as the Community Action Board, and a seat was added on the CDCAC for a low-income representative at-large. This Action Plan incorporates the minor changes needed to the Community Participation Plan (Attachment IV).

Community Participation in NSAs

Other efforts to solicit input from the low and moderate income neighborhoods included development of action plans with NSA participants in the Neighborhood College, meetings with service providers in the NSAs, discussions of needs at regular meetings of neighborhood groups such as civic associations and their executive committees and one-on-one

conversations with residents. Efforts to identify needs of low and moderate income residents also included conversations with staff from other County agencies and non profit groups who work with NSA residents including special meetings organized solely to discuss NSA needs. Needs were also identified through review of data and information provided by other County agencies and groups. Persons with disabilities are represented by the Disability Advisory Commission's representative on the CDCAC. Publicity informed residents about the accessible locations and the availability of interpreters at forums and public hearings.

New Directions for CDBG

Arlington's CDBG allocation for FY 2007 was a significant decrease from previous years. Although the grant amount is nearly level for FY 2008, future reductions are likely. The Community Development Citizens Advisory Committee (CDCAC) and staff took a close look at the program last year and recommended a new model to allocate CDBG funds. Changes to the CDBG allocation process were approved by the County Board in September and were implemented immediately with the Community Development Fund proposal solicitation. Some activities funded for many years with CDBG funds were identified as "negotiated contracts," and removed from the competitive funding pool. CDBG funded organizations will be encouraged to increase their capacity and become less dependent on support from Federal and State sources. A Nonprofit Assistance Fund will secure services and technical assistance for CDBG and CSBG subrecipient organizations.

Review of the Draft Plan

The Draft FY 2008 Annual Action Plan was widely distributed in print and online. Public comment was solicited at several hearings. The Housing Commission and the CDCAC held one public hearing on needs in October. Residents and stakeholders were encouraged to attend and offer comments on the Draft Plan at the following public hearings, both of which were held in the County Board Room at 2100 Clarendon Blvd:

- *On Funding Allocations:* County Board Budget Hearing, Tuesday, March 27th at 7:00 p.m.
- *On Non-Financial Issues:*
 - County Board public hearing on Saturday, April 21, 9:00 a.m.

The County Board approved the plan at its April 21, 2007 meeting.

3. Provide a summary of citizen comments or views on the plan.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

Attachment III provides a summary of citizen comments/views on the plan and staff responses.

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.
 - Work with the Metropolitan Washington Council of Governments (COG) Housing Directors Advisory Committee to develop numerical targets for its affordable housing goals.
 - Conduct/coordinate staff training on housing support services.
 - The County will establish a Nonprofit Assistance Network that includes: a resource center at Central Library with a business librarian; a coordinating council of nonprofits; workshops and classes around a nonprofit curriculum; organizational assessment and coaching for nonprofit executives.

Monitoring

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

An overall monitoring schedule is established at the beginning of each program year, as well as an individual monitoring checklist for each activity. Program and financial management staff conduct formal onsite monitoring at least once every two years of CDBG and HOME funded projects (more frequently if the subrecipient is new or is having difficulty meeting program or contract requirements). Regular review of monthly or quarterly reports, program evaluation forms, program visits and phone calls are also part of program monitoring procedures. Customers in several of the programs are surveyed periodically to determine level of satisfaction with services and areas in need of improvement. Program monitoring ensures that the subrecipient's performance is adequate and in compliance with Federal and local regulations, as determined by the contract agreement and scope of service. During FY 2008, approximately 10 subrecipients and programs will be formally monitored.

Components of project monitoring include compliance with eligible activities and National Objectives, HUD program rules and administrative requirements; progress against production goals; needs for technical assistance; and evidence of innovative or outstanding performance. Organizations receiving CSBG funding will be monitored for compliance with Federal and State guidelines and requirements governing those funds.

Financial monitoring ensures that subrecipients comply with all of the Federal regulations governing their financial operations. This includes reviewing original supporting documentation for financial transactions, time sheets, tracking expenditures into the general ledgers, check books and bank transactions, internal controls, reviewing financial

transactions to ensure that they are within the approved budget, and that expenditures are eligible and reasonable.

Long-term compliance with property management and disposition requirements are outlined in contracts with subrecipients. County interests in real property acquired with CDBG or HOME funds are required to be recorded as part of the deed.

The County conducts periodic monitoring of assisted housing projects that have HOME or CDBG funds invested. It is expected that about 800 units will be reviewed and monitored for program compliance in FY 2008. Some projects have a full code inspection by the Code Enforcement staff and Fire Marshall. An on-site compliance monitoring review examines all aspects regarding the leasing of an affordable unit. It begins with a review of the components of the affordable housing agreement with leasing and management staff to ensure that all parties understand the requirements. Additionally the lease, the rental amounts and the rent roll, the tenant selection policy and process, the waiting list procedures, property marketing plan and fair housing notices are reviewed. Tenant files of households occupying affordable units are reviewed to ensure required procedures are followed, such as using HUD Handbook 4350.3 to identify and calculate income correctly, obtaining signatures of all adult household members on income certifications and renting at allowable amounts. Occupancy reports submitted by the owners are reviewed while on-site to verify that the information being reported is substantiated by the documentation in the file.

When discrepancies are noted, the owner is required to make corrections. Corrective action ranges from the owners making corrections on their report to providing a replacement affordable unit when the existing household is ineligible for the unit. Other adjustments might involve preparation of a more effective marketing plan or repayment of rent to tenants.

Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families.

Collaboration:

1. Meet twice annually with agencies to improve communication and refine tracking and evaluation procedures.
2. Coordinate with Lead-Safe Virginia to implement its action plan as it pertains to Arlington County

Agencies: Arlington County Housing Division, Code Enforcement, Public Health, Environmental Health, Section 8, Lead-Safe Virginia, AHC, Inc., RPJ

Assessment/ Testing

1. Continue assessment of all children attending DHS Child Health Clinics.
2. Train NSA inspector in risk assessment.
3. Continue inspection and testing of AHC Single Family Rehabilitation units and Robert Pierre Johnson (RPJ) Rebuilding Together units.

Agencies: Arlington County Housing Division, Public Health, Environmental Health, AHC, Inc., RPJ

Public Education

1. Distribute information on lead-based paint to daycare centers.
2. Hold tenant education workshops, including section on lead-based paint
3. Distribute information to AHC and RPJ applicants for rehabilitation assistance.

Agencies: Arlington County Housing Division, Code Enforcement, Public Health, Environmental Health, AHC, Inc., and RPJ.

Enforcement/ Correction:

1. Environmental Health staff will notify Code Enforcement when a home is found to have peeling paint or other lead risk that can be enforced.
2. Environmental Health staff will notify Section 8 staff to cross-check for Section 8 units with high lead levels.
3. AHC, Inc. and RPJ will incorporate stabilization, control or abatement measures into rehabilitation specifications.

Agencies: Code Enforcement, Environmental Health, AHC, Inc.

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Arlington's goals and targets, approved by the County Board in December of 2003, establish the County's overall objectives and outcome measures for affordable housing until FY 2010. The goals and targets were developed to plan for the needs of families; older residents; persons with disabilities; entry level professionals; teachers, police, firefighters and other public employees; and employees in the many jobs that support the County's strong economic development. The Five-Year Consolidated Plan lists the goals and targets and attached Arlington's Goals and Targets for Affordable Housing, which displays baseline data, stretch and aggressive targets with graphs and short narrative accompanying each target.

The purpose of the targets is to establish a long term vision of where the County would ideally like to be and to provide a quantitative way to measure its progress. The targets guide implementation activities and track Arlington's progress in achieving its Affordable Housing Goals. Many of the targets are interrelated and may even be in conflict in certain situations. This will require the County to set priorities among targets. For example, creating more family-sized housing units may result in a lower overall number of units created. Due to the costs, creating committed units in the Metrorail corridors will likely result in fewer units than outside the corridors. Ultimately, Arlington must exercise judgment and creativity to strike the appropriate balance across a range of different affordable housing goals, which, together, result in a community that is economically diverse and economically sustainable.

An Annual Targets Report is issued each year to update the County Board and community on progress in meeting the targets. For each target, baseline performance has been determined. The overall objective is to improve on the baseline performance each year. All of the targets will not be met. Thus, the "baseline" is at least equally as important as the target.

As a result of annual evaluations, the targets may be adjusted or new targets developed as needed. The County will also continuously research best practices across the country, develop and implement new strategies, and seek out new partners to help achieve the targets. This fiscal year, the County will specifically investigate the feasibility and applicability of implementation strategies suggested by community residents at various public meeting and the Consolidated Plan Community Forum.

Section 215 Goals

While the Annual Targets Report will report on progress towards the County's comprehensive housing goals and targets, the CAPER will report on the Section 215 housing goals shown in the Housing Needs Table. For Fiscal Year 2008, the Section 215 renter goal is 10 and the 215 owner goal is 73. These goals are based upon the CDBG and HOME-funded programs/units that meet the 215 definition.

Resources

Attachment II is a chart that details the FY 2008 DRAFT CDBG, ESG, HOME, HOPWA, CSBG and AHIF services activities and expected outcomes. In addition, there are a number of other financial resources that are expected to be available this year to help address the identified affordable housing needs of the County. Below is a listing of these resources and estimated funding levels, while there are detailed descriptions of each in the Five-Year Consolidated Plan.

Affordable Housing Investment Fund: In FY 2008, the Affordable Housing Investment Fund (AHIF) will receive \$1,012,286 of the federal HOME allocation, to be leveraged with \$2,987,714 of local general fund revenues and \$1,428,412 in incremental recordation tax revenues to equal more than \$5.4 million. A separate \$112,476 from the County's HOME fund allocation will be used for program administration.

Housing Grant: In FY 2008, it is estimated that this County-funded rent assistance program will provide rent assistance to 682 low income working families, elderly persons and persons with disabilities through the Traditional Housing Grants program. In addition, 49 households are expected to be provided rent assistance through the Project-based Housing Grants program and 31 for the Transitional Housing Grants program.

Homeownership Assistance: The ADDI grant amount available to Arlington County in FY 2008 is expected to be \$22,450. It is estimated that this will provide down payment and closing cost assistance to 2 low and moderate income first time homebuyers.

Homeowners' Grants: In response to double digit increases in residential real estate assessments in recent years, the County Board approved this new program in the FY 2006 budget. Now in its third year of funding, the program will serve households with incomes below \$77,407/year and assets, excluding the value of the home, below \$340,000. In FY 2008, it is estimated that 3,100 income-eligible households will receive homeowners' grants. The amount of the grant is \$600 with an additional \$75 for each dependent.

Real Estate Tax Relief: In CY 2007, it is estimated that 1,212 income-eligible elders and persons with disabilities will receive exemptions and deferrals of real estate taxes. The income maximums for this program are \$77,407 and asset levels, excluding the value of the home, will increase to \$540,000 for exemptions this year (CY 2007).

Credit Facility: AHIF Plus: This enhancement to the Affordable Housing Investment Fund (AHIF) provides up to \$20 million in loan funds from a private lender. These funds will be used to finance the acquisition, renovation, and/or construction of affordable housing. The County will provide the funds at below market interest rates for terms of up to 30 years. Unlike regular AHIF loans, repayment would begin as soon as the project was completed.

County Credit Support: The County can provide credit support (formerly referred to as a moral obligation). The County's obligation on a facility is legally limited. The County does not pledge its taxing authority or full faith and credit, but the County's statement creates an expectation in the financial markets that future County Boards, while not legally obligated to fulfill the commitment would, in fact, fulfill its obligation. This has been used at The Gates and was also used in the FY 1988 acquisition of the 364-unit Woodbury Park. This was also used at Ballston Park at Historic Buckingham Village in 1995.

Live Near Your Work Program: This local program, which provides a forgivable loan in the amount of \$5,400, is expected to serve approximately 44 qualified County or School Board employees purchasing a home in Arlington.

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 1 Action Plan Public Housing Strategy response:

Arlington County does not have public housing. In FY 2008, The Department of Human Services plans to administer 1,461 housing choice vouchers, 84 new construction/substantial rehab units and 35 moderate rehab units to low income households.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 1 Action Plan Barriers to Affordable Housing response:

- Investigate the feasibility of amending the zoning ordinance to allow accessory dwelling units (such as English basements, granny flats and garage units).
- Continue to develop zoning incentives for affordable housing.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

The American Dream Downpayment Initiative is available to help low income families become first-time homebuyers. The ADDI grant amount available to Arlington County is expected to be \$22,450 for FY 2008. This allocation will augment the currently CDBG-funded Moderate Income Purchase Assistance Program (MIPAP) that offers down payment and closing cost assistance to low and moderate income first time homebuyers. The program, called MIPAP Plus, is a third trust mortgage, combined with the MIPAP second trust. It is expected that 25 households will benefit from this program in FY 2008.

The maximum MIPAP loan amount is \$14,999. The MIPAP Plus maximum loan is \$24,999. Eligible households are able to choose a MIPAP or a MIPAP Plus loan. MIPAP loans have no payments or interest accrual during the first five years. Thereafter, MIPAP funds carry a 4% interest rate. The MIPAP Plus loan component will carry 4% interest rate for the first \$14,999 and \$10,000 is interest free. Both loans require a five-year affordability period, wherein if the client chooses to sell their home within the first five years, the County has the right of first refusal to either purchase the property at a Set Price, or to identify a qualified low/moderate income first-time household to purchase at the Set Price. (Set Price for MIPAP and MIPAP Plus is calculated as the original purchase price, plus 5% annual appreciation.)

Outreach about the program is targeted to current Housing Voucher and Housing Grants clients and families on the waiting list for these programs. Home ownership education classes and VHDA certification are required for clients to ensure their ability to undertake and maintain homeownership.

Resale/Recapture Guidelines

The following states the resale/recapture provisions for the MIPAP and MIPAP Plus down payment and closing cost programs:

MIPAP and MIPAP Plus properties must remain owner-occupied. In addition, Arlington County has the right of first refusal (but not the obligation) to purchase MIPAP and MIPAP Plus properties sold within five years from the purchase date. The Target Price will be calculated as follows: the original price paid for the property, with a five percentage point

(5%) annual appreciation rate, with credit given for capital improvements. The right of first refusal ends beginning in year 6. Arlington County can either purchase the property outright, or identify a qualified low/moderate income household from the Notification List for Affordable Properties to purchase the property at the Target Price.

The County has a perpetual right of first refusal that applies to any secondary buyer who purchases a MIPAP unit at the Target Price. It allows Arlington County to repurchase the property or to identify a qualified low/moderate income household from the Notification List for Affordable Properties to purchase the property at a Target Price calculated as follows: the original price paid for the property plus annual appreciation based on increases in the Area Median Income with credit given for capital improvements. If Arlington County declines to exercise its option, the homeowner would be free to sell his/her property on the open market.

This policy also applies owner Committed Affordable Units (CAFs) that are developed through the site plan process.

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction’s plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.

Funding/Homelessness

Arlington uses a combination of private, federal, state, and local funding to address homelessness through a Continuum of Care consisting of outreach, emergency shelters, transitional housing, and permanent supportive housing. A variety of these activities are described below, sorted by the source of funding.

Emergency Services Grant (ESG): As of FY 2008, Arlington is no longer a HUD entitlement community for the Emergency Shelter Grant (ESG) program. The County’s FY 2008 allocation based on the ESG formula has dropped below the threshold for entitlement status. Arlington’s calculated amount was therefore added to the State of Virginia’s Non-entitlement ESG allocation and the County will apply for its ESG funding through the Virginia Department of Housing and Community Development. It is anticipated that the amount the County will receive from the State will be lower than the FY 2007 amount of \$83,600.

McKinney Funding: Arlington was awarded one year of funding for in the amount of \$932,271 Supportive Housing Programs (SHP) for federal FY 2006. The funding awards include:

\$244,468	Options Safe Haven Program
\$194,986	Opportunity Place
\$175,460	Treatment on Wheels
\$217,245	Adopt A Family
\$100,112	Independence House

Arlington County was not awarded new Shelter Plus Care funding in Federal FY 2005. The County does operate three Shelter Plus Care programs with on-going funding:

The Milestones I program, is in the fourth year of a five year grant. The program has been awarded a total of \$540,560 which equates to \$108,312 per year to house up to 8 households who have a serious mental illness (SMI). Each client will receive a rental subsidy along with supportive services that will address their daily needs, e.g. medication, paying bills, etc.

Milestones II program is in the third year of a five year grant. This program is currently serving 6 households with serious mental illness. The program was awarded \$400,740 (\$80,148 per year) of funding to provide rental assistance to these households.

Milestones III program is in the second year of a five year grant which is set up to serve a total of six households. Arlington County was awarded \$414,240 which equate to \$82,948 of funding to assist with rental assistance per year. The program is currently serving three households who have a disability of serious mental illness (SMI).

CDBG Allocations: In FY 2008, the following programs will receive CDBG allocations:

- ◆ Adopt-A-Family/Lifeworks Program: \$28,400 to Arlington/Alexandria Coalition for the Homeless to provide case management and employment services to families leaving Sullivan House shelter and moving into independent housing.
Expected Outcome: 20 families transition to independent living and employment from Sullivan House shelter.
- ◆ Housing Counselor: \$38,200 for Northern Virginia Family Services (NVFS) for Housing Counselor.
Expected Outcome: 120 households assisted to avoid eviction or find permanent housing.

Other Funding: In FY 2008, funding from AHIF Housing Services will be used for the following:

- ◆ Financial Literacy: \$25,000 for Doorways for Women and Families for bilingual staff to instruct Hispanic clients on financial skills and counsel women to prepare for independent living.
Expected Outcome: 50 clients stabilize financial situation.
- ◆ Transitional Housing: \$40,000 to Borrromeo Housing, Inc. (BHI) to lease apartments for young mothers and their babies; staff support and services assist families to become self sufficient.
Expected Outcome: Apartments leased for transitional housing and support services for 4 teen mothers and their babies.

- ◆ Youth Housing Specialist – \$25,000 to County Department of Human Services (DHS) for Youth Supportive Housing Specialist to assist seriously mentally ill young people transition to appropriate housing.

Expected Outcome: 15-20 young people housed and provided supportive services.

3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.

Chronic Homelessness

Arlington County's goal of ending chronic homelessness will be achieved through strategies and action steps that take a long-term, comprehensive approach prioritizing prevention, supportive services, income, and affordable housing programs. On April 26, 2006, the Arlington County Board adopted *A Passageway Home*, Arlington's 10-Year Plan to End Homelessness. The goal of the 10-Year Plan is that no individual or family lack access to decent, affordable housing.

Arlington's 10 Year Plan will further the goal towards ending homelessness by:

- Communication strategies that will help to educate Arlington citizens about homelessness and the actions we will take towards ending homelessness.
- Closing the "front door" to homelessness with efforts that work towards supporting and maintaining individuals and families in their current housing.
- "Rapid re-housing" for homeless individuals that do enter the "front door."
- Increasing the availability of and access to affordable housing.
- Establishing a "Housing First" model of permanent supportive housing that will assist chronically homeless persons with disabilities.
- Improving our coordination plans for discharging persons at risk of homelessness from jails, hospitals, and mental health facilities.
- Improving and expanding our coordinated system of service delivery.
- Increasing our collaboration with surrounding jurisdictions (Washington DC, Virginia, and Maryland.)

An accompanying 5-Year Action Plan focuses on a continuum of strategies and action steps to address four goal areas: affordable housing, supportive services, prevention and income. Over the next 10 years, Arlington will focus on best practice models that take a comprehensive approach to address the varying needs of homeless individuals and families. The goals, strategies and action steps of the 10-Year Plan address the main homeless objectives of the 5-Year Consolidated Plan (providing permanent supportive housing for homeless persons with disabilities; providing transitional housing for the homeless; providing emergency housing for the homeless; and preventing homelessness).

To view the 10-Year Plan and its 5-Year Action Plan online, visit:

<http://www.arlingtonva.us/Departments/HumanServices/Xtend/xtendPassageHome.aspx>.

4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

Homeless Prevention

Homeless prevention activities are carried out by a variety of different programs that include the County Bureau of Crisis Assistance, Northern Virginia Family Services (Homeless Prevention Program), and Arlingtonians Ministering to Emergency Needs (AMEN). The General Relief Emergency Assistance Program is available to DHS social workers as a resource to prevent homelessness. A Consumer can access the program twice every six months (Up to \$500 per request) in which the funds can assist with rent, mortgage or utility emergencies to prevent eviction or foreclosure. Northern Virginia Family Services will serve households through their Housing Counseling and Homeless Intervention programs. In addition, the County's Emergency Needs Fund will provide emergency assistance to households to prevent eviction.

5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Discharge Coordination Policy

The HSCC has established a Memorandum of Agreements with the social work unit of the Virginia Hospital Center and with the Arlington County's Foster Care system to coordinate the continuity of discharge from the respective systems to the homeless shelters. Although there is an established policy with the Virginia Hospital Center, the committee is interesting in expanding the MOA to the entire hospital. The committee also has a goal of establishing a Memorandum of Agreement to conduct discharge coordination from jail systems (County, State, Parole officers). The committee has been working with the Mental Health Criminal Justice Review Committee to develop a jail diversion program that will identify homeless individuals and work on effective discharge planning. The jail diversion program will also work on coordination of persons being discharge from mental health institutions.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.
*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 1 Action Plan Community Development response:

Table 2A displays the priority non-housing community development needs for the next five years and annual goals, for which CDBG funds will be used. This includes countywide economic development and neighborhood-specific needs. Since the first tier of the NSA program (Neighborhood Focus Areas) is the only one eligible to receive CDBG-funded programs and services, Table 2A primarily reflects the five-year priority needs of that tier.

These priority needs are based on data gathered through the neighborhood needs analysis for the NSA re-designation process as well as community input through meetings and submission of CDBG proposals. The assignment of priority to each category was based on:

- the degree that the need would not be met by a County-funded program or service;
- the ranking of needs through survey tools and community meetings in the neighborhoods;
- the evidence of need in proposals submitted for CDBG funding; and
- the ranking of similar needs identified in the Community Report Card, developed by the Partnership for Youth and Families in November 2003.

The following lists the County's Five-year objectives and annual outcome measures for community development through the NSA program and economic development for low income persons Countywide.

- Improve physical conditions in NSAs.
 - Identify and prevent code violations and provide ways to resolve them.

- Develop and implement physical improvements related to housing and public infrastructure.
- Develop and implement opportunities for community beautification.
- Increase access to human services through the provision of information and service delivery.
 - Develop and identify sources of support for community liaison program.
 - Plan and deliver series of community events.
 - Facilitate partnerships that expand and improve services.
 - Fund priority projects.
 - Provide technical assistance to increase access to human services.
- Increase participation in community affairs.
 - Develop community leaders through the Neighborhood College.
 - Facilitate resident education and advocacy initiatives.
 - Use existing venues and events to educate and inform residents about neighborhood improvement activities.
- Improve economic conditions of low and moderate income persons in the NSAs.
 - Provide job training and skills development opportunities that are accessible and affordable.
 - Provide services to remove barriers to employment.
- Foster micro enterprise development for low and moderate income business owners.
 - Provide technical and financial assistance to new or expanding businesses in appropriate language and format.

Several NSA activities implemented by County staff and previously supported by CDBG funds will not be funded by CDBG in FY 2008. These activities are TREK, an after school program for middle school youth; Senior REACH, a program for seniors at Arlington Mill Community Center; and Community Spokes, a bicycle repair program for teens. The programs will be continued at some level with County General Funds, but the Community Development Needs Table has been revised and goals lowered in several categories to reflect the reduced CDBG support. Clients and residents will continue to receive services but since the table is intended to track outcomes that result from CDBG, CSBG and HOME funding, the annual goals have been revised.

Housing Services Outreach staff will continue activities to increase resident participation, improve property maintenance, improve physical structures, and increase resident access to needed services. Neighborhood College activities will ensure that residents from low and

moderate income neighborhoods are involved in and informed about County activities and systems.

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 1 Action Plan Antipoverty Strategy response:

The County's Five-Year Anti-Poverty Strategy is to support State and County efforts to move low income persons to economic self sufficiency or maximum level of economic independence. The strategy aims to help move families from welfare dependency to economic self-sufficiency. In instances where this may not be possible because of personal limitations client's experience, the goal is to enable them to achieve the maximum level of independence for which they are capable.

The Arlington County Department of Human Services (DHS) is the nexus of the County's welfare reform program and is thus the lead anti-poverty agency. In FY 2008, DHS will administer the following programs that help low income households:

- Virginia Initiative for Employment (not) Welfare (VIEW) and Temporary Assistance to Needy Families (TANF)
- Medicaid/Family Access to Medical Insurance Security (FAMIS)
- Food Stamp and the Food Stamp Employment and Training Program (FSET)
- Housing Grants and Section 8 (rental assistance)
- Transitional and Supportive Housing rental assistance
- Home Energy Assistance
- Refugee Cash Assistance
- Community Service Block Grant (*administered now by CPHD*)
- Homemaker and Adult Day Care Contract Program
- Emergency Shelter Grant Program (Crisis Assistance Bureau/CAB)
- Homeless Programs
- One Stop Career Center

VIEW, the County's primary anti-poverty program, is a time-limited, goal-oriented program that provides temporary cash assistance to needy families while assisting families toward economic self-sufficiency through child support and work. In FY 2008, DHS expects to serve an average of 270 families a month for the TANF program and 144 new clients during the year in the VIEW program.

One important action DHS has implemented in the effort to reduce poverty was co-locating many of the client services in one location and developing a team concept in providing

services. The DHS staff came together and developed a plan and identified the services necessary to accomplish the goal of reducing poverty in the County. Resources were made available to ensure that services were provided as planned.

Many of the on-site services available to help families move toward achieving economic self sufficiency are as follows: assessments (career, disability, mental health, substance abuse etc.); therapy/treatment; job/career guidance; job readiness training; skills training; high school/GED/secondary education; job placement; transportation assistance; parenting training; child care & before/after school; clothing assistance; housing assistance; emergency services transition assistance; and client incentives.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

Actions to be undertaken in FY 2008 to implement recommendations in the Supportive Housing Plan include:

- Pursue goal of adding 25 units to the supportive housing pipeline by:
 - Working with Housing staff to:
 - Seek new and existing Committed Affordable Units, and
 - Seek units through site plan approval process
- Occupy 35 additional supportive housing units with priority consumers contingent upon an additional 25 local project based units being funded for FY '08.
- Initiate one small scale supportive housing development using LPACAP funds (predevelopment assistance and capital subsidies) to effectively leverage HUD supportive housing funding, including McKinney/Vento Shelter Plus Care subsidies, Section 8 project-based assistance, and Section 811 funding.
- Initiate comprehensive renovations on the Arlington Assisted Living Residence using HUD Assisted Living Conversion Program (ALCP) funds awarded to Arlington VOA Assisted Living, Inc.

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on the accomplishments under the annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 1 Action Plan HOPWA response:

HOPWA funds are awarded to metropolitan areas with populations of 500,000 or more that have at least 1,500 AIDS cases, based on data from the Centers for Disease Control and Prevention (CDC). These funds can be used for housing assistance and related supportive services for persons with HIV/AIDS. In the DC metropolitan area, the administering agency in FY 2007 is the Northern Virginia Regional Commission. The administering agency submits the application for annual funds.

Arlington County Department of Human Services (DHS) receives a portion of the Suburban Virginia HOPWA award, which is one component of the HOPWA award for the Washington, D.C. Eligible Metropolitan Statistical Area (EMSA). DHS receives HOPWA funds to provide rental assistance to persons with HIV/AIDS and case management services to assess their needs and develop strategies to meet those needs.