



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of April 22, 2006

DATE: March 30, 2006

SUBJECT: Approval of the County's Annual Consolidated Plan for Fiscal Year (FY) 2007, which includes the 10-Year Plan to End Homelessness, and the FY 2007 Annual Consolidated Plan for the City of Falls Church

C. M. RECOMMENDATIONS:

1. Approve the FY 2007 Annual Consolidated Plan for Arlington (Attachments 1 and 2), and A Passageway Home: Arlington's 10-Year Plan to End Homelessness (Attachment 3).
2. Approve the FY 2007 Annual Consolidated Plan for the City of Falls Church (Attachment 4) and the allocation of CDBG and HOME funds for the City of Falls Church.
3. Authorize the County Manager to submit the approved FY 2007 Annual Consolidated Plan and its required certifications to the U.S. Department of Housing and Urban Development (HUD) and sign contracts and documents required for the approval and implementation of the Annual Consolidated Plan and its component programs.

ISSUE: None.

SUMMARY: The FY 2007 Annual Consolidated Plan describes allocations, objectives, activities, and performance measures for goals identified in the 5-Year Consolidated Plan for FY 2006-2010. Both are planning documents required by HUD to continue receiving federal funds shown on the following table and are designed to guide housing, homeless and community development goals and strategies within the County.

Arlington County is following a nationwide trend to address homelessness through the development of a 10-Year Plan to End Homelessness. The goal of Arlington's Plan is that no individual or family lack access to decent, affordable housing. The Plan details implementation strategies and actions steps to be taken in the 5-Year Action Plan.

County Manager: _____

County Attorney: _____

Staff: Fran Lunney, Sarah Pizzo, DCPHD, Housing Division

The Annual Consolidated Plan is an application for this federal funding	
Community Development Block Grant (CDBG)	\$1,816,925
HOME Investment Partnerships (HOME)	\$1,133,313
HOME American Dream Downpayment Initiative (ADDI)	\$22,450
Emergency Shelter Grants (ESG)	\$83,563
Housing Opportunities for Persons with AIDS (HOPWA)	\$140,000
Total	\$3,196,251

The County administers funding for the CDBG and HOME programs for the City of Falls Church through a Cooperation Agreement. Of the FY 2007 federal funds shown above, Falls Church will receive \$134,467, including \$85,577 of the CDBG allocation and \$48,890 of HOME. The Falls Church City Council formally approved the City's FY 2007 Annual Consolidated Plan on February 13, 2006. Staff has reviewed the attached draft plan and recommends County Board approval.

The Annual Consolidated Plan, including all the attachments, will be submitted to HUD no later than May 15, 2006.

BACKGROUND: The Annual Consolidated Plan for FY 2007 focuses on activities planned for the coming fiscal year that will implement the goals of the 5-Year Consolidated Plan for FY 2006-2010 related to affordable housing, homelessness, neighborhood strategy areas, community development, citizen participation, and institutional structure.

Affordable Housing: As part of the budget the County Manager recommends leveraging federal HOME funds with \$2,980,018 in local general funds and \$1,772,508 in local recordation tax revenues providing the Affordable Housing Investment Fund (AHIF) with a total of \$5,772,508 for the development and preservation of affordable housing. The Manager's proposed CDBG program allocates \$682,400 (33% of the grant) to affordable housing development, rehabilitation, homeownership, and services. Housing subsidies are provided through four programs: the federal Section 8 rent assistance (\$14.5 million) and HOPWA (\$140,000) programs and the local Housing Grants (\$4.3 million), Homeowner's Grant (\$2.1 million) and Real Estate Tax Relief (\$3.3 million) programs.

Draft 10-Year Plan to End Homelessness: The 10-Year Plan identifies best practice models and other strategic methods to be used towards ending homelessness in Arlington County. The 10-Year Plan is a comprehensive document developed through a community wide collaborative process that establishes goals, strategies, and action steps to be implemented during the next five years to end homelessness.

The proposed plan provides a multi-pronged approach using best practice methods that include use of permanent affordable housing options, transitional case management programs, supportive services, prevention, and access to employment and targeted training opportunities.

NSA Program: To maximize the impact of neighborhood revitalization efforts, the County's strategy continues to be to concentrate CDBG and other programs in the Neighborhood Strategy Areas (NSA's). Currently in the program, there are 11 NSA's which are classified into three tiers according to need and level of planning assistance. The four Neighborhood Focus Areas (those with the most intensive need and level of service) are eligible for neighborhood-specific CDBG funded-activities. Those neighborhoods are Buckingham, Columbia Heights West, Pike Village Center, and Nauck.

Community Comment: Attachment 5 provides a summary of community comments on the draft Consolidated Plan and its components. Staff has provided proposed responses to issues raised.

FISCAL IMPACT: All allocations of FY 2007 CDBG funding and general revenues covered by the Annual Consolidated Plan are reviewed by the County Board as part of the FY 2007 budget. The Plan that will be submitted to HUD will reflect the County Board Budget action.

- Attachment 1: Citizen Summary of the FY 2007 Annual Consolidated Plan for Arlington
- Attachment 2: HUD Narratives for the FY 2007 Annual Consolidated Plan for Arlington
- Attachment 3: A Passageway Home: A 10-Year Plan to End Homelessness
- Attachment 4: Final City of Falls Church FY 2007 Annual Consolidated Plan
- Attachment 5: Summary of Community Comments and Staff Responses

SUMMARY OF COMMUNITY COMMENTS AND STAFF RESPONSES on the Draft FY 2007 Annual Consolidated Plan

This summarizes comments from the community on the draft FY 2007 Annual Consolidated Plan and the 10-Year Plan to End Homelessness. Staff has received this community feedback through the County Board budget hearing on March 28, 2006, the public hearing co-sponsored by the Housing Commission and Community Development Citizen Advisory Committee (CDCAC) on March 16, 2006, and other community meetings and contacts.

Increased Funding for Affordable Housing: A number of individuals and groups recommended increased funding for affordable housing, some specifically recommending higher funding levels for the Affordable Housing Investment Fund (AHIF). AHC, Inc., the Alliance for Housing Solutions (AHS), and the Arlington New Directions Coalition (ANDC) recommended increasing AHIF to \$10.7 million. The representative of Our Lady Queen of Peace suggested that \$30 million would be sufficient to meet the housing target of adding 400 new committed affordable units each year. The Alliance for Housing Solutions advocated that funding grow to \$16 million over the years. AHS urged the County Board to adopt a policy of allocating the equivalent of two cents of the real estate tax to AHIF each year, which would be \$10 million in FY 2007. One individual suggested that \$1 million be earmarked specifically for affordable housing along Columbia Pike.

Staff Response: The County Manager has proposed \$5,772,508 in the FY 2007 budget for AHIF. Of this total, \$1,019,982 are HOME funds, \$2,980,018 are general funds, and \$1,772,508 are local recordation tax revenues. In addition to AHIF, \$4.3 million in local monies will fund the local Housing Grants program in FY 2007. It is estimated that 600 low income working families, elderly persons and persons with disabilities will receive rent assistance through the traditional Housing Grants program. In addition, 40 households are expected to be provided rent assistance through the new project-based Housing Grants program and 33 through the transitional Housing Grants program.

Financial Incentives for Affordable Housing Preservation: AHS recommended that the County aggressively focus on maintaining the current supply of affordable market rate units by approaching owners of such units to learn what financial incentives, if any, they would accept in return for keeping their units affordable for a specified length of time. They stated that such incentives might include grants to help offset operating costs, maintenance costs, rehab costs, etc. The grants could come from AHIF, and they might well run less than \$75,000 a unit.

Staff Response: It is anticipated that County staff will be aggressively pursuing opportunities to secure additional committed affordable units with existing owners over the coming year. A new County position, the Affordable Housing Preservation Specialist, has been funded for the purpose of pursuing preservation opportunities and the hiring process was recently completed.

Real Estate Assessments of Affordable Housing Properties: AHS recommended that the County make full and prompt use of the recently enacted state law allowing local real estate assessors to consider such items as rent restrictions, operating expenses, etc. when determining the fair market value of affordable housing properties. They added that lower assessments and

therefore lower real estate tax bills on affordable housing properties will help the bottom lines of non-profit affordable housing owners as well as perhaps provide incentives to for-profit owners to keep units affordable. AHS asked that the County ensure that the appropriate procedures are in place to implement law by no later than January 1, 2007.

Staff Response: Housing staff is already pursuing this with the County Attorney's and the tax assessor's offices to determine whether this approach or other alternatives may be of benefit to owners and developers of affordable apartment complexes.

Cash or Off-Site Units in Lieu of On-Site Affordable Condominiums: AHS recommended that the County seek financial contributions or off-site units for affordable housing rather than subsidized condominiums from developers. When condominium fees are included in the mix, a subsidy of \$350,000 or more is required to make a \$500,000 two-bedroom condominium affordable. That is a very large subsidy for just one unit and an inefficient use of potential resources which could be used to help preserve the remaining stock of affordable housing in Arlington.

Staff Response: The County Manager has asked staff to analyze the potential benefits of negotiating cash or off-site units in lieu of the higher end condo units.

Housing Grants Program: Several individuals expressed support for the Housing Grants Program and the Housing Commission's proposal to add \$500,000. The Alliance for Housing Solutions recommended that \$5 million be budgeted for the Housing Grants Program. The Arlington New Directions Committee advocated increasing the funding for the program by an additional \$500,000.

Staff Response: An addition of \$431,000 in the FY 2007 budget has been proposed to be included in the base budget. This amount allows for a slight increase in the current caseload, and an adjustment for rent and other increases. Any additional resources for Housing Grants will be considered as part of the FY 2007 budget process.

Support for CDBG Program: The Chair of the Community Development Citizen's Advisory Council (CDCAC) spoke to the Board about the proposed cuts to the CDBG program over the next few years. He encouraged the Board to preserve the programs CDBG funds and stressed that many of these programs come from the "grassroots" level of the community.

Staff Response: The County has established a Steering Committee composed of CDCAC members and staff to guide a review of the program, including a public input process, and recommend a new model(s) for effectively administering the Community Development Block grant, regardless of its amount.

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

Doorways for Women and Families: Three representatives of Doorways thanked the County for its previous support, and asked that the FY 2007 budget request be approved. There is enormous growth in need and no growth in resources.

AHC: Two representatives from AHC thanked the County Board for its continuing support and reminded the Board of the continuing affordable housing challenges.

Arlington Community Action Program (ACAP): A representative from ACAP the thanked the Board for continuing to support the computer training program through the CDBG grant, and reminded them that the program is now able to serve 150 clients, double its previous number, since the computer lab was opened in Arlington Mill.

Ethiopian Community Development Council (ECDC): Two representatives from ECDC thanked the Board for their support of their programs to assist immigrants.

Shirlington Employment and Education Center (SEEC): The Executive Director of SEEC thanked the Board for funding its program to assist day laborers in finding employment. He noted that the level of residential construction in the Shirlington neighborhood will increase traffic congestion. He asked the Board to help SEEC find another location for its clients to gather.

10-Year Plan to End Homelessness Community Comments and Staff Responses

In addition to the forums for public comments cited above, the Department of Human Services (DHS) has solicited and received comments on the *10-Year Plan to End Homelessness* from DHS citizens' advisory commissions and a range of non-profits.

Enhance the Transitional Housing Grants Program: A homeless non-profit organization recommended that the Transitional Housing Grants program be expanded to accommodate serving more families. Members of the Housing Commission recommended that the program funding be increased by \$100,000.

Staff Response: The new Transitional Housing Grant Program facilitates access for low income, homeless persons being served by non-profit agencies to permanent affordable housing options. Administrative polices increased the program flexibility for persons who generally may not qualify for a traditional housing grant. In FY 2006, 22 homeless families were assisted through this program. Transitional Housing Grants are an integral part of the strategies outlines in the 10-Year Plan to End Homelessness and, depending on available resources, would provide additional families a much needed benefit.

Make the Emergency Winter to Shelter a Year-Round Shelter: The Arlington Street People's Assistance Network (A-SPAN) recommended that the Emergency Winter Shelter, currently providing limited shelter access (November 1 through March 31), be expanded to a year-round shelter.

Staff Response: Staff recommends prioritizing best practice models that focus on permanent housing options for homeless persons. These include research-based, proven, short term (30 days or less) transitional housing, “Rapid Re-Housing” and permanent “Housing First” models. The 10-Year Plan is closely linked with the housing goals developed in the Supportive Housing Plan approved by the Board in 2005.

Establish a community kitchen in the year-round Emergency Winter Shelter: A-SPAN recommended the establishment of a community kitchen that could provide training and employment options to homeless persons working towards self-sufficiency and provide low-cost nutritious meals to the chronically homeless.

Staff Response: The 10-Year Plan to End Homelessness proposes an action for the development of a food preparation training program that would meet the goals of food provision, as well as provide training and employment opportunities for homeless persons and shelter residents. A feasibility study is needed to examine the resource needs and potential for a development partnership with a non-profit food program.

10-Year Plan Implementation Task Force. It has been suggested that an Implementation Task Force be assigned by the County Board to oversee implementation of the 10-Year Plan.

Staff Response: The 10-Year Plan to End Homelessness was informed and developed by a team of county staff, representatives of the non-profit homeless providers such as the Arlington-Alexandria Coalition for the Homeless (AACH), Doorways, A-SPAN, Community Residences, the Arlington Interfaith Council, and other interested stakeholders. There is an existing structure, the Homeless Services Coordination Committee (HSCC) and its four sub-committees, that would provide sufficient support and oversight to assure continued progress towards implementation of the plan.

Support for Homeless Services: Representatives from A-SPAN and ANDC urged the Board to increase funding to A-SPAN’s Homeless Bag Meal Program, due to the County Health Inspectors requiring that food be prepared in commercial kitchens rather than in volunteers’ homes. A-SPAN and ANDC requested the Board provide an additional \$140,000 to A-SPAN’s emergency winter shelter to allow it to operate year round instead of only five months a year.

Staff Response: In 2005 it was learned that A-SPAN’s Bagged Meal Program was not in compliance with state and County laws regarding food handling. A-SPAN worked closely with the DHS to make necessary changes to continue program operation, but those changes resulted in increased costs to the program, beginning in FY 2006. DHS was able to partially assist the program with its FY 2006 cost increases, but A-SPAN states that they will need \$39,000 in additional funds to continue the program in FY 2007. This request is being considered as part of the FY 2007 budget process. With regard to the request for additional funding to allow operation of a year-round emergency shelter, staff recommends the use of limited resources be prioritized for implementation of best practice models that focus on permanent housing options.

Use of Public Land: A-SPAN proposed that the 10-Year Plan include an action step for the County Board to adopt a “Public Land for Public Good” policy, which might yield land for affordable housing for low income households, including the homeless, or for facilities to serve the homeless.

Staff Response: Adoption of such a policy is outside the scope of the 10-Year Plan.