

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 28, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF RESOLUTION OPPOSING THE ELIMINATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

ISSUE: City Council consideration of a resolution urging the U.S. Congress to oppose the elimination of the Community Development Block Grant (CDBG) program.

RECOMMENDATION: That City Council adopt the attached resolution (Attachment I) and authorize the City Manager to forward it to the City's Congressional Delegation.

DISCUSSION: The President's proposed budget for federal FY 2006 would eliminate the CDBG program, along with 17 other community and economic development programs, and create a replacement program in the U.S. Department of Commerce called the Strengthening America's Communities Initiative. The total proposed funding for this initiative (\$3.7 billion) represents a net reduction of over 33 percent compared to the total federal FY 2005 funding for the 18 eliminated programs (\$5.6 billion). The consequences of this change could be very detrimental to the City.

The City has received CDBG funding for 30 years, and the program has been highly successful in Alexandria. The City's accomplishments with this funding include, but are not limited to:

- assisted 243 low- and moderate-income households to become homeowners;
- rehabilitated 265 homes for low- and moderate-income owner-occupants;
- brought about the elimination of blighting conditions at 380 properties;
- funded the acquisition and/or rehabilitation of 9 group homes and 16 supervised apartments for clients of the Department of Mental Health, Mental Retardation and Substance Abuse, purchased the land for the construction of the City's Substance Abuse Services Center;
- supported the development of the former Alexandria Residential Care Home for seniors and for the Battered Women's Shelter, and later funded renovations at both properties;
- supported the rehabilitation of community facilities such as Hopkins House and the Boys and Girls Club;

- provided rehabilitation assistance to 548 public housing and Section 8 units owned by the Alexandria Redevelopment and Housing Authority;
- provided grants to make accessibility improvements in 7 apartments occupied by disabled low- and moderate-income tenants;
- supported the Winter Shelter, which provides emergency shelter during the winter months
- conducted a fair housing testing program to test for discrimination in the rental and sales housing markets;
- funded improvements to properties owned or occupied by 25 businesses in the Mt. Vernon Avenue corridor; and
- supported a microenterprise loan program for small businesses, resulting in 56 loans to Alexandria businesses.

While it is not yet clear whether the City would receive funding under the new Strengthening America's Communities (SAC) initiative, or whether the City's current CDBG activities would be eligible under the SAC initiative, the impact of a complete loss of this funding would be severe. The City would stand to lose approximately \$1.4 million in annual funding. Our two largest CDBG activities, the Homeownership Assistance Program (HAP) and Home Rehabilitation Loan Program (HRLP), would be severely curtailed, although they could continue at reduced funding levels under the federal Home Investment Partnerships (HOME) Program. However, fully funding these activities under HOME would have to be at the expense of HOME funding for housing development activities, as would any HOME funding for the much smaller Rental Accessibility Modification Program. Other activities such as Fair Housing Testing, Winter Shelter, Transitional Assistance, Eviction Storage, and occasional renovations of public housing, are not eligible under the HOME program and would require an alternative funding source in order to continue.

The attached resolution includes the names of some of the agencies that have used CDBG monies to provide housing, services, or upgraded community facilities to low- and moderate-income persons and households, along with other organizations that support the resolution to oppose the elimination of the CDBG program.

FISCAL IMPACT: Potential loss of approximately \$1.4 million in CDBG funds.

ATTACHMENT: Resolution

STAFF: Mildrilyn Stephens Davis, Director, Office of Housing

RESOLUTION NO. _____

WHEREAS, President Bush, in his fiscal year 2006 budget, has proposed the elimination of the Community Development Block Grant program, which has funded a myriad of housing, social service, and economic development programs in this community; and

WHEREAS, in this community and in communities throughout the nation, thirty years of Community Development Block Grant funding has developed a strong network of relationships between this local government, residents and the many non-profit agencies that provide services and help make possible our commitment to our neighborhoods; and

WHEREAS, this community recognizes that the Community Development Block Grant program is a partnership of Federal, state, and local government, business, non-profit and community efforts, and that the services funded by the CDBG program, administered by the local government and often delivered by local non-profit organizations, relies heavily on the dedication of and good will of our combined efforts; and

WHEREAS, this community recognizes all the participants whose hard work and devotion to the neighborhood and their low- and moderate-income residents help insure the quality and effectiveness of the Community Development Block Grant program;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Alexandria, Virginia opposes the proposed elimination of the Community Development Block Grant Program.

BE IT FURTHER RESOLVED, that this community, along with the housing and service providers and others whose names are appended to this resolution, hereby petition the U. S. Congress to recognize the outstanding work being done locally and nationally through the Community Development Block Grant program, and the program's vital importance to the community and to the people who live in its lower income neighborhoods, and to strongly oppose any proposal to eliminate the Community Development Block Grant Program; and

BE IT FURTHER RESOLVED, that copies of this resolution be conveyed to the appropriate elected officials of the Federal government and that this community's name, and the names of its non-profit housing and service providers, be added to the roll of those committed to the preservation and full funding of the Community Development Block Grant program and the maintenance of its essential features.

ADOPTED: March 8, 2005

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC, City Clerk

**ORGANIZATIONS IN SUPPORT OF
ALEXANDRIA CITY COUNCIL RESOLUTION NO. _____**

CDBG Recipients/Subgrantees

Alexandria Redevelopment and Housing Authority
Alexandria Community Services Board (pending final board approval)
Boys and Girls Clubs of Greater Washington
Carpenter's Shelter
Community Lodgings, Inc.
Friends of Guest House
Hopkins House
Rebuilding Together Alexandria

Other Supporters

Alexandria Commission on Aging
Alexandria Commission on Persons with Disabilities
Alexandria Economic Development Partnership
Alexandria Housing Development Corporation
Housing Action
RPJ Housing Corporation
Wesley Housing Development Corporation

RESOLUTION NO. 2141

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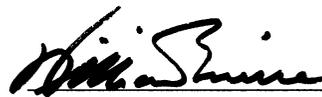
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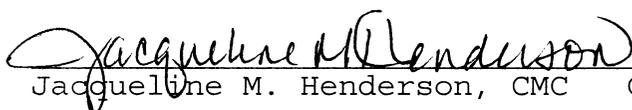
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WILLIAM D. EUILLE

MAYOR

ATTEST:



Jacqueline M. Henderson, CMC City Clerk