

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 2, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: CONSIDERATION OF THE REQUEST TO PROVIDE ONE-TIME EMERGENCY FUNDING TO COMMUNITY LODGINGS, INC.

**ISSUE:** Consideration of one-time emergency funding to Community Lodgings, Inc.

**RECOMMENDATION:** That City Council allocate \$63,250 from the General Fund Contingent Reserves to provide one-time emergency funding to Community Lodgings, Inc.

**DISCUSSION:** Community Lodgings, Inc. (CLI) is requesting assistance from the City to meet an immediate "short-term" financial shortfall. In a letter dated September 23, 2005 and later articulated in a meeting with City staff, CLI requested \$126,517 in City financial assistance. The request can be broken down as follows:

\$59,467	Youth Services (primarily support for the Family Learning Center)
\$20,160	Employment and Job Training Services (for computer and ESL education)
\$3,000	Child Care (for parents attending computer and ESL classes and other activities)
<u>\$43,890</u>	Transitional Housing Assistance (for a case worker and rent subsidies)
\$126,517	Total Request

In preparing this recommendation on funding for Community Lodgings, Inc., City staff have reviewed the request and determined that the transitional housing and support services provided by CLI are vitally important and essential services that need to be maintained as CLI reorganizes its finances.

Staff's recommendation is that CLI be granted \$63,250, approximately half of the requested amount. This is the amount staff has determined is the amount necessary to support the transitional housing components and related support staff. Approximately \$38,000 represents the cost of providing transitional housing assistance to 8 families for the remaining 8 months of the fiscal year. The remainder of the amount recommended is for CLI staff costs for 8 months associated specifically with the transitional housing program.

While CLI provides a valuable service to the Alexandria community, funding of this request raises the issue of precedent. However, the situation that CLI is in represents an emergency. Therefore, staff's recommendation is for one-time funding of core CLI service in FY 2006 only. Staff neither suggests nor recommends that this additional City support become permanent. These funds will also be allocated to CLI with the proviso that CLI provide additional financial information on an ongoing basis to the Office of Management and Budget (OMB), including all projected income, from all sources, and expected expenses for FY 2006. CLI has agreed to complete all necessary audits, do monthly check-ins with the Department of Human Services (DHS) and meet quarterly with the DHS and OMB staff until such time they have a more stable fiscal outlook.

The Transitional Assistance Program (TAP) run by DHS can provide support in the form of short term subsidies when homeless families or individuals enter the program. The Department of Human Services' Office of Community Services can provide half of the first three months rent which staff estimate at approximately \$1,200 per family. With normal attrition and graduation, CLI may take in five to six new families a year - more if they bring additional transitional units on line from the current eight units. Through this source, the Department's support will represent as much as \$7,200 a year in funding.

CLI was also approved to receive a \$20,000 grant from the City of Alexandria's Youth Fund for their Youth At Risk Development Program in FY 2006. CLI could request increased funding from the Youth Fund for FY 2007.

Based on our preliminary review, Community Lodgings could become more fiscally sound if they were able to identify on-going funding to sustain the operation of the Learning Center. The Center was established with foundation support several years ago, but apparently without sufficient source(s) of on-going operating funds to fully sustain its operation. In the first half of 2003, Community Lodgings opened the Family Learning Center, an operation that expanded their assistance to low income families beyond the Transitional Housing Program (offering rent subsidies, counseling and group therapy, and job skill training and money management). At the Learning Center, Community Lodgings provides an Adult Evening Training program in computer, English and math skills, as well as an After-School program for youth. Later in 2003, their Executive Director became ill, was absent for 6 months and resigned at the end of the year. The succeeding Executive Director was replaced in September by the former chair of the Board of Directors, who is working essentially without compensation while the organization tries to turn around its financial situation.

The Center does receive some funding from the Alexandria City Public Schools. Staff does not recommend making any commitment to sustain the Learning Center through funding from contingent reserves in FY 2006.

**FISCAL IMPACT:** The requested allocation would require \$63,250 from the City's General Fund Contingent Reserves. The contingent reserve now has \$326,500 available.

**ATTACHMENTS:**

Attachment 1. September 23, 2005, Letter to the Mayor from Bonnie Baxley, Executive Director, Community Lodgings

Attachment 2. Community Lodgings City of Alexandria Funding Request: October 2005-May 2006

**STAFF:**

Debra Collins, Director, Department of Human Services

Ronald Frazier, Director, Office of Youth Services, DHS

Mark Jinks, Assistant City Manager for Fiscal and Financial Affairs

Bruce Johnson, Director, Office of Management and Budget



# Community Lodgings

*Opening Doors to Independence*

228 South Pitt Street, 3<sup>rd</sup> Floor  
Alexandria VA 22314  
www.communitylodgings.org

Phone: 703-549-4407  
Fax: 703-548-1294  
CLI@communitylodgings.org

September 23, 2005

**United Way/CFC #8358** Hon. William D. Euille, Mayor  
**Board of Directors** City of Alexandria  
City Hall, 301 King Street  
Alexandria VA 22314

**Officers**

*Chris McMurray*  
*Catherine McLean*  
*George Tuttle*

*William Cleveland*  
*Marty Devine*  
*Randy Howell*  
*Cesar Huamuni Jr.*

*Helen Lewis*  
*Joseph Markoski*  
*Carl Seward*

*Jack Smircina*  
*Karen Parker Thompson*

Bonnie Baxley  
Executive Director

Dear Mayor Euille:

Community Lodgings has been serving Alexandria for over 18 years, lifting families from instability and homelessness and empowering them to self-sufficiency. We are an important part of Alexandria's safety net, especially for homeless and disadvantaged families in Arlandria, a CDBG target neighborhood.

We now request City help in addressing a short-term financial shortfall which has affected recent operations. The Board has been working intensively to address this shortfall, and has been successful so far in maintaining our housing and program services. The shortfall has had impacts, however, with some staff resignations, reassignment of some duties and drastic cutbacks on all but required expenditures. Fundraising has been accelerated, with help from a large group of volunteers.

Our financial needs are detailed in the attached financial summary. We look especially to CDBG and Housing program funds, since our programs implement CDBG and Comprehensive Plan objectives: neighborhood revitalization and transitional housing/services to homeless and near-homeless families.

Our services represent a substantial contribution to the welfare of Alexandria's neediest citizens, conserving public dollars through programs and services valued at more than \$250,000. Our contribution includes housing and education for 10 homeless families ( \$12,000 per family); after-school help and summer learning for 50+ at-risk children (valued at \$130,000), as well as neighborhood-based computer/English classes preparing 50 adults annually for better jobs.

We ask the City to help us meet the cost of these services. Timely City help will ensure continuation of our programs and lay the foundation to rebuild our finances.

Sincerely,

Bonnie Baxley  
Executive Director

## Community Lodgings

City of Alexandria Funding Request: October 2005-May 2006

Community Lodgings' programs include:

- Affordable Housing: Five apartment buildings (46 units) in Arlandria, with affordable rentals for 35 mainly Latino families
- Transitional Housing for 8-10 (currently 8) homeless families, enabling 75% to become self-sufficient after two years;
- The Fifer Family Learning Center at CLI's 607 Notabene Drive property, a Family Resource Center of the Alexandria City Schools. The Center serves over 100 adults, youths and children annually, with programs including:
  - Computer/skills training and English (ESL) for 50 adults;
  - After-school academic help and summer learning for 50 3<sup>rd</sup>-5<sup>th</sup> grade children and a Middle School program for 15 youths in the vulnerable 6<sup>th</sup>-8<sup>th</sup> grade years—the only such program in Arlandria.

These housing and program services are supported by a variety of public and private sources developed by Community Lodgings. Due to a temporary financial shortfall, City help is requested to sustain the following programs and services for the balance of CLI's 2005 fiscal year.

<u>Program under CDBG Guidelines:</u>	<u>Amount Requested<sup>1</sup></u>	<u>Remarks</u>
<u>Youth services (DHS):</u>		
Learning Ctr Coordinator/After-Schl Prg leader	24,000	Remaining FY 05 need
FLC Program Assistant	3,800	"
Youth Program Coordinator.	11,667	Lead MS Prg, assist with ES program
Executive Director	20,000	Remaining FY 05 need
<u>Employment and Job Training Services (DHS)</u>		
Computer instructor/IT support	10,080	3 evening/Sat classes + IT support
English (ESL) instructor	10,080	3 evening/Sat classes
<u>Childcare Assistant (DHS)</u>		
Child care for Computer, ESL classes & parent groups	3,000	
<u>Transitional Housing Assistance (TAP)(DHS)</u>		
Transitional Program Case Worker	24,960	Portion not covered by SSG/FSG
Rent subsidies (10 families)	<u>18,930</u>	Portion not covered by SSG/FSG
<b>Total</b>	<b>126,517</b>	

<sup>1</sup> Ref. Community Lodgings Expense Summary, FY 2006 (attached)

Att.2

**Community Lodgings Budget FY 2006**

Balance of FY2006: October 2005 - May 2006

**Minimum required staffing**

Budget Item		Total	Budgeted	Hourly
		Budgeted	monthly	
		Cost	cost	Rate
		Oct-May	Oct-May	
<b>1. Personnel Expense</b>		<b>180,548</b>		
1.a Salaries	FTE	<b>144,576</b>	18,864	
Exec. Director	0.5	20,000	2,500	31
Director of Operations	1	24,583	3,073	19
Administrative Assistant	1	16,833	2,104	13
THP/Family Svcs Case Mgr	0.5	24,960	3,120	18
FLC Director/After-School Prg leader	1	24,000	3,000	19
FLC Youth Prg Asst	0.5	10,240	1,280	15
FLC Program Assistant	0.5	3,800	1,267	16
Computer instructor	0.5	10,080	1,260	16
ESL Instructor	0.5	10,080	1,260	16
				-
1.b Non-Salary Expenses		<b>35,972</b>	2,998	19
Payroll taxes		11,472	1,434	9
Payroll fees		1,000	83	1
Health Insurance		16,700	1,392	9
Disability Insurance		2,500	208	1
Professional Liability Insurance		2,800	233	1
Staff development		1,500	125	1
<b>2. Transitional Program Rent Subsidies</b>		<b>38,000</b>	4,750	30
(8 families)				-
<b>3. Consultants</b>		<b>35,920</b>		
Accountant		8,320	1,040	65
Fund Raising/Development		9,200	1,150	7
Public Relations		5,600	700	4
Workshops		3,600	450	3
Proposal Writer/Editor		9,200	1,150	
<b>4. Fundraising Expenses</b>		<b>6,500</b>	542	
Fundraising Event Costs		3,000	250	
Roof Lines newsletter mailing		1,000	83	
Miscellaneous (Printing Services, Advertising, etc.)		2,500	208	

<b>5. Other Direct Costs</b>		<b>43,325</b>	<b>2,407</b>
Annual Independent Audit		8,000	1,000
Debt Service		4,000	500
Rent		12,800	1,600
Office rent & utilities		1,500	188
Phone, Utilities		3,600	450
Computer Upgrades & Other IT Expenses		1,800	225
Non-IT Program Materials		1,500	188
Craft, snack supplies		1,500	188
Field trip expense: admissions, food etc		2,500	313
Transportation expense: van gas, parking etc		5,000	625
Staff mileage: avg 100 mi/wk@40.5c/mi		1,125	141
<b>6. Insurance (D&amp;O)</b>		<b>2,500</b>	<b>139</b>
<b>7. Office Expense</b>		<b>14,560</b>	<b>1,820</b>
Office supplies		4,000	500
Computer, other equipment		2,500	313
Printing, copying		2,000	250
Postage, delivery		400	50
Credit Card Program-Account		360	45
Phone		4,300	538
Misc. ( auto expenses, etc.)		1,000	125
<b>Total Program Expense</b>		<b>321,353</b>	<b>40,169</b>
Assured Income		<b>77,184</b>	<b>6,433</b>
Shortfall based on Assured Income		<b>244,169</b>	<b>33,736</b>
Probable Grant Income		<b>37,000</b>	
Fundraising events income (Nov-May)		<b>25,000</b>	
Shortfall October thru May		<b>182,169</b>	