


City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 17, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) BUDGET TRANSFERS

ISSUE: City Council consideration of budget transfers of federal Community Development Block Grant (CDBG) funds.

RECOMMENDATION: That Council approve the following FY 2008 transfers of CDBG monies:

<u>From Program:</u>	<u>To Program:</u>	<u>Amount</u>
Rental Accessibility	Homeownership Assistance	\$251,022
Modification Program (RAMP)	Program (HAP)	
Program Administration	Homeownership Assistance	
	Program (HAP)	<u>\$100,000</u>
	Program Total:	\$351,022
 <u>From Program:</u>	 <u>To Program:</u>	 <u>Amount</u>
Transitional Assistance Program (DHS)	Eviction Assistance and	\$13,000
	Furniture Storage Program (DHS)	

DISCUSSION: The Office of Housing is requesting the transfer of \$351,022 from two sources to the Homeownership Assistance Program (HAP), which provides assistance of up to \$50,000 for downpayment and closing costs for low-income City residents and workers who are first-time homebuyers purchasing homes in the City of Alexandria. Budgeted FY 2008 funding for this program is temporarily unavailable because \$240,932 in HAP funds were used to purchase a HAP-assisted property at foreclosure in the first quarter of FY 2008. In addition, the HAP program expected to receive \$400,000 in CDBG program income in FY 2008. As of February the program has received \$106,913 in CDBG program income. Proceeds from the sale of this property (which is expected to occur in the fourth quarter of FY 2008) will be used as projected carryover for the FY 2009 budget, and can be programmed to the HAP program, or RAMP program if needs warrant.

Staff has identified two sources for the transfers: Program Administration and the CDBG-funded portion of the Rental Accessibility Modification Program (RAMP). RAMP provides funds to make accessibility improvements for low income renters in Alexandria. This program has funds available for transfer due to limited activity in FY 2007. Funding is available from Program Administration, which covers a variety of personnel, office management, and miscellaneous administrative expenses. This activity has carryover from FY2007 due to vacancies in two positions partially charged to this activity (one of which was filled in January 2007 and the other which was not filled and was eliminated in the FY 2008 budget). Both RAMP and Program Administration have sufficient monies available for this transfer and will not be negatively affected.

The Department of Human Services, Office of Community Services, is also requesting a transfer of \$13,000 in CDBG monies from the Transitional Assistance Program to the Eviction Assistance and Furniture Storage. DHS administers both activities. Because of demand without such a transfer, it is expected that the Eviction Assistance and Furniture Storage Program will cease services by the end of March. The program provides for the transportation and up to 60 days storage of possessions of households that are about to be evicted and that lack a suitable place to store such items. An estimated additional ten to 15 households can be served with the transfer of these funds.

The Transitional Assistance Program provides homeless persons residing in shelters or overcrowded situations with budget/housing counseling and financial assistance to move into affordable housing and has sufficient funds to serve the projected clients for the remainder of FY 2008.

FISCAL IMPACT: None. All monies in these transfers are included in the City's approved FY 2008 budget.

STAFF:

Mildrilyn Stephens Davis, Director, Office of Housing
Ann Moore, Director, Office of Community Services, Department of Human Services
Eric Keeler, Division Chief, Program Administration, Office of Housing
David Swartz, Fiscal Officer, Office of Housing