

March 16, 2011

Dear Arlington County Board Members,

We appreciated the opportunity for a small group of affordable housing and human services advocates to meet with each of you on March 10th about priorities in the upcoming FY 2012 County budget. We applaud the Board's commitment to housing and other safety net issues, and appreciate efforts by the County Manager to include additional funding for those priorities in her proposed budget. By all accounts, however, the needs that we will consider this year have grown deeper and more complex than in the previous year. Nonprofits across Arlington continue to see increasing numbers of families asking for housing, food, medical and other aid, even as we can expect fewer federal and state pass-through dollars to meet our needs.

Last month, we urged the Board to set an advertised tax rate that would allow enough flexibility for a full dialogue about community priorities. Now we urge the board to use the flexibility it created and adopt the one cent tax increase to continue meeting the needs of Arlington's most vulnerable residents through continued investments in housing and other human services. Specifically, we recommend increases in the following areas:

- **AHIF – We recommend increasing the general fund contribution to AHIF by \$1 million above the County Manager's proposal.** AHIF was funded at \$5 million in FY 2011, but was dropped to \$4 million in the proposed FY 2012 budget. The AHIF has been the County's primary source of funding for affordable housing and has allocated more than \$125 million in low-interest, subordinate loans to affordable housing projects since 2000, but the county has only met its stated goal of 400 units per year once. It is important that we continue to try to reach this goal. AHIF can drive the cost of housing units down to 60, 50 or 40 percent of AMI; more projects will seek AHIF support between 2011 and 2013 than there will be funds available; and the County has expressed a commitment to preserve affordability in areas facing high redevelopment pressures, such as Columbia Pike. Ideally, we would support the recommendation of the County's Housing Commission to increase AHIF funding by 10 percent each year (assuming the FY 2011 funding level as the base), and would support the County Board if it chose to implement that, or an alternative dedicated funding recommendation for 2012. We offer the recommendation of a flat \$1 million increase, however, recognizing continued budget pressures across the board and our own funding requests for other housing and human services priorities.

- **Housing Grants – We recommend increasing funding for housing grants by \$475,000 above the County Manager's proposal.** While the proposed budget represents a roughly one percent increase over FY 2011, the program's caseload has grown by an average of nine percent over the past five fiscal years (a time span that encompasses both recession and non-recession years). Because the program regularly expends all of its funds well before the end of a fiscal year, and because it needs to be expanded to accommodate serving single persons, the additional \$475,000 should be considered in anticipation of at least a nine-percent increase. Whether used on the open housing market, or applied to units created by AHIF, these grants

further enable local families with incomes at or below 30 percent of AMI to access housing – including those headed by low-wage workers, homeless persons, and people on SSI.

▪ **DHS and Non-Profit Housing Services – Federal funding for the Homelessness Prevention and Rapid Re-housing Program will expire, leaving behind a need for \$136,000 to maintain salaries and benefits for four existing case managers, \$360,000 to support direct financial assistance payments for approximately 120 HPRP-assisted households, and \$40,000 to support administrative and operating costs for the HPRP case managers.** Arlington’s implementation of HPRP has become a model in the state and across the country. Without County support, the program will lose two full time case management positions; security deposits and rent/utility assistance previously supplied to HPRP clients will be unavailable, and the additional funding in the proposed budget for emergency assistance will not help, as it will likely be subsumed by existing demand for that program. Nonprofits who are hosting the housing locator will need to stretch already tight budgets to cover administrative costs for the locator.

We recognize that our best efforts to create, preserve and maintain affordable housing are only as effective as the supportive services that ensure a household’s success in their housing. For this reason, we urge your support for mental health and other support services recommended by the County’s Community Services Board and other nonprofit service deliverers.

Arlington has, time and again, demonstrated leadership in protecting resources for low-income families. In FY 2011, we were one of the only jurisdictions in the region to raise taxes explicitly for safety net priorities, and this year’s proposed budget contains a \$1.3 million increase for these priorities. Demand for affordable units continues to outpace supply, though. Arlington lost 21 percent of its affordable units between 2000 and 2009. This means that more must be done, and we must remain vigilant in working to meet needs we have already identified as priorities.

We look forward to continuing to work with you through this budget season and year-round in service to Arlington’s vulnerable residents.

Respectfully,

Mary Rouleau, Executive Director
Alliance for Housing Solutions (AHS)

Michael J. O’Rourke, Executive Director
Arlington-Alexandria Coalition for the Homeless

Fred Jones and Dave Leibson, Co-Chairs
Arlington County 10-Year Plan Implementation Task Force

Jim Burke, President
Arlington Interfaith Council Board of Directors

Charlie Rinker, Board President
Arlington New Directions Coalition (ANDC)

Nina Janopaul, Executive Director
Arlington Partnership for Affordable Housing (APAH)

Kathleen Sibert, Executive Director
A-SPAN

Susan Korfanty, Executive Director
Buyers and Renters Arlington Voice (BRAVO)

Caroline Jones, Executive Director
Doorways for Women and Families

Kari Galloway, Executive Director
Friends of Guest House

Patricia M. Donnelly, Executive Director
Literacy Council of Northern Virginia

Pam Michell, Executive Director
New Hope Housing

Michelle Krockner, Executive Director
Northern Virginia Affordable Housing Alliance

Mary Agee, Executive Director
Northern Virginia Family Service

Gail C. Arnall, Ph.D., Executive Director
Offender Aid and Restoration (OAR)