

The Board is providing the following guidance to the County Manager for the FY 2022 Budget:

1. Allocations for the American Rescue Plan Funds

As a part of budget adoption, the County Board is appropriating the first tranche (\$23 million) of American Rescue Plan funding. The County Manager should return to the Board with a more detailed plan for the use of this funding once guidance is provided by the Treasury Department.

As he does, the following should be included:

- **\$17.5M Contingent:** The levels of support for pandemic response consistent with the levels in the Manager's Proposed budget or, where different, the Manager's recommendations for significant variation from, the levels for vaccine distribution, contact tracing, eviction prevention, food assistance, and the other categories outlined for the expenditures outlined in the Manager's proposed Budget.
- **Eviction Prevention and Hunger:** The Board directs the Manager to continue his and this Board's commitment to using local funding where necessary to help those in need of food and at risk of eviction when federal funding is not available and to continue the flexibility with respect to eviction prevention that we have used over the past year.
- **Business Community Support:** The Board directs the County Manager and staff to further evaluate the successful outcomes of the Small Business Emergency Relief GRANTs program implemented last year and to facilitate a second round of small business grants using one-time funding. County staff would define criteria to provide immediate funds to businesses/non-profits to aid in their short-term recovery while continuing to apply an equity lens to ensure funding is focused on those businesses most negatively impacted by the ongoing pandemic. The implementation timeframe for such a program would tentatively be planned for the first quarter of FY22.
- **Small Business Revolving Loan Fund:** The County Board directs the County Manager and staff to research the feasibility of a small business revolving loan fund (RLF). The review will start with an evaluation of the forthcoming Treasury Department guidance on the allowable uses of the American Rescue Plan funding in order to determine if they are an appropriate funding source for a revolving loan fund. Staff will also consider residual balances from the FY 2021 COVID Contingency (local dollars) as a potential funding source. Arlington Economic Development would then develop a framework to identify a locally active Community Development Financial Institution (CDFI) or similar entity, who could potentially manage a new revolving loan fund on behalf of Arlington County. By creating a RLF, the County Board would continue to support the economic recovery efforts of

small business by 1) providing seed capital to start the fund, which may be potentially matched by the CDFI, and provide micro-loans to Arlington small businesses, and 2) provide direct resources to small businesses that were disproportionately impacted by the pandemic in order to expedite economic recovery. The specific loan criteria, amounts, eligibility, repayment terms, conditions, reporting requirements, and timelines, etc. would be developed within the framework with input from AED staff and the CDFI. Further, a RLF would be designed to reach businesses that are often unable to secure access to capital through traditional lending programs and institutions and will also align with Arlington's ongoing commitment to equity. A framework will be recommended by staff for a potential loan fund to the County Board for consideration by the end of the first quarter of FY22 (October 1). If approved, the timeframe for program implementation will be determined at that time.

2. Employee Compensation

If additional funds become available either through allowable uses of the American Rescue Plan or other local sources, additional options for further employee compensation should remain a priority.

3. Developmental Disabilities Day and Employment Center

The County Board reaffirms its longstanding policy that day and employment services be provided to adults with developmental disabilities appropriate to their needs. The County Board directs the County Manager that in FY 2022, the Department of Human Services reinstate the process of conducting a comprehensive needs assessment and review of the developmental disabilities' day support and employment program, with the goal of increasing program capacity within Arlington to meet demand. The County Board further directs the County Manager to report preliminary recommendations for a program that can be implemented within the next five years as part of the FY 2023 budget development process. The initial set of recommendations will focus on the results of the needs assessment with a high-level overview of possible service model options and operating and capital budget impacts. More detailed options will be developed over the following 12-24 months. While the study is underway, increased efforts will be made to meet the short-term and on-going need until the longer-term planning can be completed.

4. Affordable Housing

Funding in support of ongoing affordable housing development and asset management needs. This may include bolstering support for the County's rental and homeownership programs as well as oversight of affordable housing units that the County has used local and federal funding to support. The Board supports additional flexible resources that may come in the form of additional staff or consulting services for these development and asset management functions to ensure the County continues to grow its affordable housing supply while also ensuring that housing funded by the County is safe and healthy.

5. Housing Grants

As the County Manager has administratively implemented changes to the Housing Grants (HG) program to increase Maximum Allowable Rent standards to match 60% AMI rents for Committed Affordable units, and relaxed eligibility requirements for the program in response to housing insecurity precipitated by the pandemic, and the County Board has further extended the relaxed eligibility through FY 22 while also lowering HG recipients' rent payment requirements from 40% to 30% of income as soon as it is practicable, the County Board directs the County Manager to review the HG program with the goal of developing options to expand eligibility to more rent-burdened Arlington households at risk of displacement and present options and recommendations to the Board for the program's structure for FY 23.

The Manager's review should include the following:

Maximum Allowable Rent Standards – Provide analysis to include budget impact and number of clients served when comparing HUD's Small Area Fair Market Rents, Median Rents, and current policy as an MAR rent standard.

Eligibility Requirements – Provide estimates of the increase in recipients and budget impact if eligibility were reduced to 60 years of age for the Seniors' category. Present considerations for administering a program that accounts for continued benefit payments beyond two months due to temporary categorical ineligibility when local labor market conditions adversely affect the recipients' employment sector(s). Present considerations for adjusting the work hours requirement beyond 20/40 hours per week for working families with children from a strict age basis to children being enrolled in a full-time school program. Provide analysis of any populations not effectively served under existing categories of eligibility.

The review should also include analysis of incremental staffing, system, and engagement requirements.

6. Arts Resiliency Grants

Allocate \$50,000 in one-time money for the Cultural Affairs Division and the Arlington County Commission for the Arts to award as “resiliency grants” to Arlington arts organizations and individual artists. With this allocation, the County Board highlights the potential grantmaking priorities of 1) addressing the impact of the pandemic on arts organizations and individual artists and their opportunities for recovery, and 2) pursuing opportunities consistent with the Commission’s new Equity Statement on arts in Arlington. The specific grantmaking criteria and timelines for awards of the resiliency grants, however, should be developed by CAD and the Commission and reflect the contexts, needs and administrative considerations of the Arlington arts community.

7. Northern Virginia Conservation Trust

The Board supports the Manager’s recommended restoration of funding for the Northern Virginia Conservation Trust highlighted in the Mid-Year / Q3 Update memo. The Board anticipates that, in the coming three years, NVCT will create and pursue a pipeline of projects and prospects for land conservation in Arlington aligned with not only our Department of Parks and Recreation priorities, but also our stormwater management and neighborhood conservation efforts. The Board directs the County Manager to ensure that appropriate departments, such as Community Planning, Housing and Development and Environmental Services consult with NVCT to share priorities and weigh on NVCT conservation prospects. This multi-departmental involvement should proceed along the same time horizon as the re-negotiations of the NVTC / Arlington County Memorandum of Agreement on other educational and service-delivery opportunities.

8. Restorative Justice

The County Board strongly supports the continued implementation of “Restorative Arlington,” including the five volunteer-led implementation teams and the training of community facilitators and restorative circle leaders currently underway. In FY 2022, the Board directs the Manager to begin the transition of Restorative Arlington to a community-based, rather than government-based initiative, by creating a Notice of Funding Available process for community-based nonprofits or practitioners with experience in Restorative Justice. This transition will also allow for a more efficient approach to leveraging grant and endowment resources.

Recognizing that a NOFA process itself requires subject matter expertise and stakeholder engagement, the Board allocates \$50,000 in one-time money, and directs the Manager to allocate the appropriate level of additional funding from his Manager's Contingent if necessary, to support the continuation of the current County-based coordinator as needed to ensure there is no lag in the implementation of Restorative Arlington during the NOFA process and transition.

Finally, because Restorative Arlington also calls upon County departments to pursue changes in practice and culture, the Board further directs the County Manager to allocate one-time funding, as needed, for resources to support internal departments in training, developing new protocols and otherwise pursuing these changes. The Manager should bring to the County Board recommendations for the amount of the NOFA and one-time resources as part of the FY2021 close-out process.

9. Broadband

Allocate \$50,000 for analysis of funding models that would support introduction of broadband high-speed internet service to those tenants in committed affordable units, including basic facts relevant to consideration of Citizen Broadband Radio Service and a broadband authority, in support of the County's digital equity goals.

10. Stormwater

The County Board directs the Manager to move ahead with Phase 2 analysis, including community engagement, and provide options for consideration for a stormwater utility no later than the FY 2024 Proposed Budget. This utility structure, if adopted, would replace the ad valorem tax.

11. Virtual Meetings and Engagement

The Board directs to staff to come back this calendar year with a report on any additional electronic equipment that may need to be purchased with one-time funds necessary to ensure Arlington County is ready to continue the virtual engagement necessitated by the Pandemic. Doing so has the potential to improve community engagement and is an important investment worthy of spending of one-time funding.

12. Voting

The Board directs staff to take the steps necessary to implement Sunday voting on two Sundays prior to the November elections in addition to the Saturday

voting that has been done in prior years. Doing so will help expand access and visibility to voting, which we have seen from national news over the last month is a threat to our democracy. Up to \$50,000 is authorized specifically for this purpose.

13. Equity

To further the Board and Manager's efforts to build systemic equity into our budgeting process, the Board directs the Manager and staff to secure additional resources for an equity-based evaluation of our budgeting in coordination with the work of our Chief Race and Equity Officer. Not to exceed \$50,000, this funding would be used for an assessment and to offer recommendations to further the County's work in this area, not as a substitute for the ongoing work staff is already leading on.

14. Climate Change & Sustainability

The County Board directs that the County Manager develop a recommendation to coordinate a "whole of government" approach to achieving Arlington's Climate Change and Sustainability goals. The recommendation should include the staffing model and budget necessary to:

- a) Integrate sustainability goals and best practices into County plans, procurement, programs and operations consistent with the CEP Roadmap (under development) which will provide near, mid, and long-term strategies to achieve climate change goals;
- b) Coordinate and optimize inter-departmental projects and areas of work;
- c) Monitor and escalate disagreements among departments to the County Manager and County Board for resolution, when competing County policy priorities are at issue as;
- d) Determine the metrics, reporting and communication necessary to present a consolidated understanding of Arlington's Climate Change and Sustainability goals;
- e) As part of the CEP Roadmap implementation carry out a communications and engagement plan that includes APS, residents, other community stakeholders and regional partners; and
- f) Identify innovation in sustainability practices and developments in climate science to provide current and continuing education for staff and policymakers.

The recommendation should be shared in time for the Board to incorporate guidance as part of the FY23 budget process.

15. Electric Vehicle Transitions in the County Fleet

It shall be the default policy of the County to convert from internal-combustion-engine vehicles to electric vehicles (EVs) as vehicles are replaced, where EVs meet mission requirements and where charging infrastructure is feasible. To monitor this policy, the Manager should report annual fleet conversion metrics summarizing which vehicles were purchased or leased and why an EV option was infeasible for any internal-combustion-engine vehicles. This policy supports and is consistent with the comprehensive Arlington Plan for Decarbonizing Transportation, scheduled for draft completion in Q2 2022, and subsequent Manager, County Board and public engagement.

16. Under-Five Foster Youth Childcare Subsidy

In order to meet the needs of Arlington foster families to children under the age of five, the County Board directs the Manager to develop a local supplement to the state reimbursement rate to address the gap between the state daily payments and the average costs of center-based childcare in Arlington. Development of an appropriate local supplement may include surveying center-based care to determine current market rates; differentiating infant, toddler, and preschool rates; and evaluating potential escalators to the local supplement as local childcare costs increase. The Board further asks the County Manager to report back at the start of FY21 (July 2021) on the progress of a local supplement program.