

County of Loudoun, Virginia
Recovery Plan Performance
Report

State and Local Fiscal Recovery Funds

2021 Report



**County of Loudoun, VA
2021 Recovery Plan**

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Executive Summary

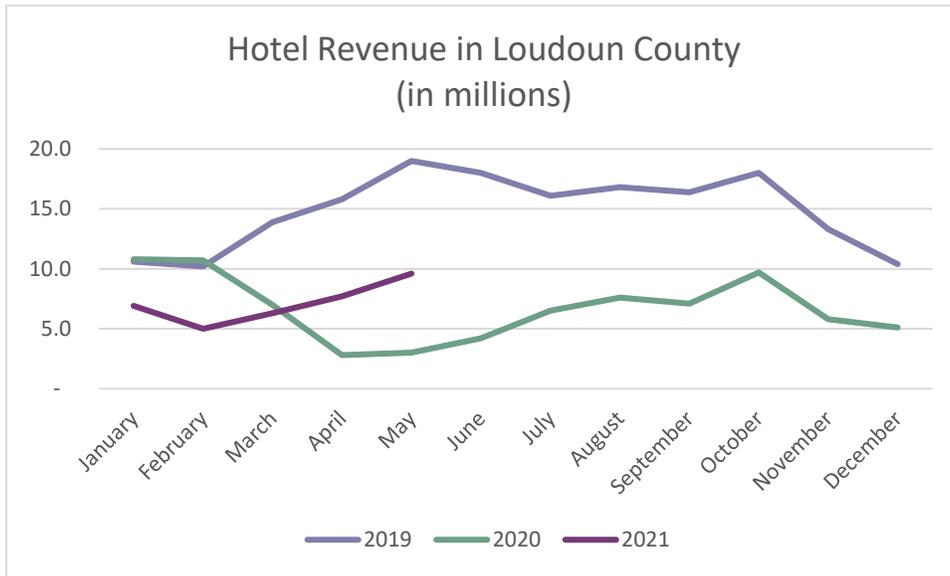
On June 1, 2021, Loudoun County received its first installment of the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) from the U.S. Department of the Treasury in the amount of \$40,162,454.50. The Board of Supervisors (Board) appropriated the first tranche of funds to address immediate needs targeted to assist the most hard-hit areas of the County, and to ensure continuation of government services as shown in Table 1.

Table 1

Use of Funding	Amount
FY2021 Revenue Loss Mitigation	\$20,000,000
Economic Development Programs	\$9,000,000
Support to Visit Loudoun	\$3,500,000
Nonprofit Support	\$2,500,000
County Covid-19 Response	\$1,000,000
Telehealth Expansion	\$100,000
Broadband	\$1,000,000
Remaining Balance	\$3,062,454.50

As with many jurisdictions, the County's travel, tourism, and hospitality industries, which are dependent on visitors, were severely impacted. Many of these establishments were forced to close their doors and lay off workers when stay-at-home orders were issued. These sectors of the local economy also disproportionately employ women, minorities, and workers with low-income, putting additional strain on already challenging situations. Hotel revenue, in particular, went from a high of \$19 million in May 2019 to a low of \$2.8 million in April 2020. Prior to the pandemic, 2019 was the sixth consecutive year with annual increases in visitor spending. According to the US Travel Association, this spending contributed almost \$2 billion to the local economy, up 3.6 percent from 2018. While current hotel revenues are starting to recover, tourism-related revenues are still 50% below pre-pandemic levels (Chart 1).

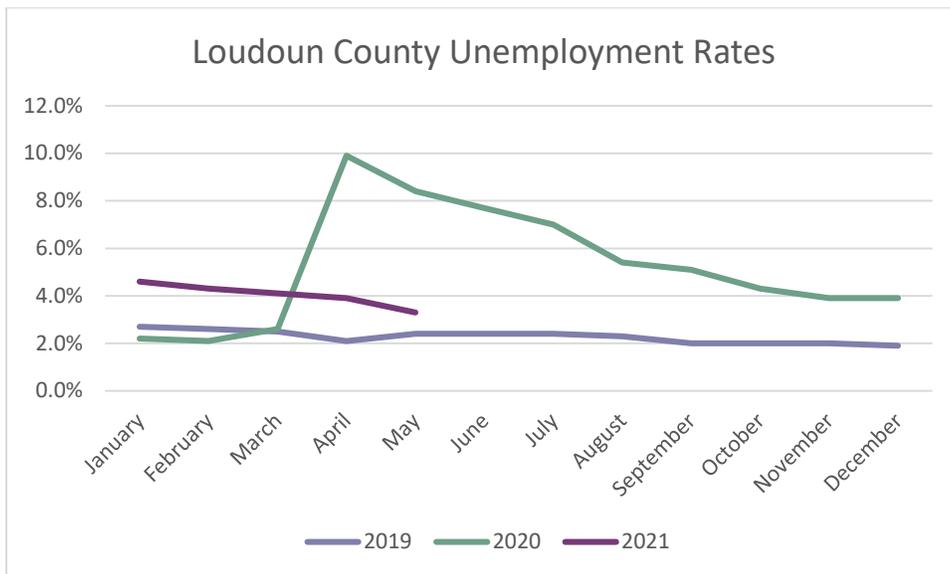
Chart 1



Source: Loudoun County Department of Economic Development Monthly Reports (Feb. 2020 to Jun. 2021)

Unemployment in Loudoun County peaked at 9.9% in April 2020 (Chart 2). While unemployment rates have dropped considerably since then and are currently trending downward, the County has not reached pre-pandemic levels of unemployment. The travel, tourism, and hospitality industry, as with much of the country, continues to experience labor shortages as many workers have found other jobs or have left the workforce all together.

Chart 2



Source: Virginia Employment Commission

To address these negative economic impacts quickly, the County implemented two programs: a hotel relief grant program and a nonprofit assistance program. The Hotel Relief Grant program was developed to help address the impact of sharp declines in hotel revenue due to decreased

demand during the pandemic so these establishments can re-open at 100% capacity and build back their work force. The nonprofit assistance program was created to provide aid to nonprofit organizations and to the individuals and households they serve. Additionally, the County is developing a third economic recovery program, the Business Recovery and Reinvention Grant program. While not expected to launch until Fall 2021, this program intends to help local businesses adapt to the changed business landscape by adopting new technologies or practices, or otherwise reinventing their businesses to cope with the negative impacts of the pandemic.

As stay-at-home and social distancing orders were put in place during 2020, certain government services were reduced or canceled resulting in a loss of County government revenue. Activities such as after-school programs, youth and adult sports, daycare services, and youth reading programs, were canceled and program fees were refunded to residents. Services such as issuing permits and licenses were significantly reduced or ceased altogether while new on-line and socially distanced processes were created to ensure the safety of staff and residents. As a result, the County saw a 1.1% decrease in revenue (or \$25.9 million). The average annual growth rate of the three previous fiscal years is 7.3%, for comparison. It is the practice of the County to produce manageable budget surpluses at the end of each fiscal year. In practice, these surpluses are used to fund many large, one-time costs, particularly in the County's Capital Improvement Program (CIP). As Loudoun County remains one of the fastest growing communities in the United States, unanticipated revenue declines have the potential to jeopardize the County's ability to respond to the impacts of growth through carefully planned government services and capital projects.

Looking ahead, the County is anticipating and evaluating options to most effectively leverage ARPA funds, including other state aid and federal aid, such as the Infrastructure and Jobs Bill, in order to maximize its impact and help build a more robust economy. In preliminary outreach and engagement with community partners, water and wastewater infrastructure projects to provide clean and safe drinking water to vulnerable communities, more assistance to nonprofits and affordable housing have been identified as community needs. However, the County continues to gather and evaluate the needs of the community. Leveraging other sources of state and federal aid will allow for enhanced economic recovery. Remaining SLFRF funds will be allocated by the Board as future projects and initiatives are identified and evaluated for compliance with ARPA in conjunction with other funding programs.

Uses of Funds

Negative Economic Impacts

The County's Hotel Relief Grant Program will provide grants of \$1,000 per room up to \$250,000 per establishment. The Board allocated \$6.0 million from the first tranche of SLFRF to be used for this program. This program is intended to acknowledge that Loudoun's hotel and lodging businesses are dependent on business travel which has been slower to recover than leisure travel. These establishments have high expenses and are particularly sensitive to revenue lags. Additionally, the current workforce shortage makes a recovery more difficult. Grants of this nature will help recover expenses while travel continues to rise and allow businesses to bring back their workforce. This industry employs a diverse workforce and provides valuable Transit Occupancy Tax revenue which supports the County's overall tourism strategy. To understand the needs of this community, Loudoun surveyed the eligible establishments and reviewed the

potentially qualified businesses before establishing parameters to ensure fair and equitable distribution of funds among all eligible facilities.

While not planned for full implementation until Fall 2021, the Business Reinvention and Recovery Grant aims to help businesses move from crisis management to recovery and growth by supporting projects that will aid those efforts. The Board allocated \$3.0 million from the first tranche of SLFRF to be used for this program. The program will be open to all businesses across the County. It will be evaluated on a case-by-case or project basis to determine the impact COVID-19 has had and the effectiveness of the planned project in expediting that business' recovery.

The Nonprofit Assistance Program is planned for full implementation beginning August 26, 2021. The Board allocated \$2.5 million from the first tranche of SLFRF to be used for this program with a minimum of another \$2.5 million to be recommended for use from the second tranche. The Nonprofit Assistance Program will aid nonprofits in delivering life-sustaining services to Loudoun County residents who are most at-risk for negative economic, health, mental health, and employment impacts of the pandemic. For FY 2022, the program will focus on COVID-19 response and mitigation.

The Board has also allocated \$5.6 million of the first tranche of SLFRF for other potential immediate needs. This includes \$3.5 million to assist Visit Loudoun, the County's partner in promoting local tourism, \$1 million for continued County COVID response, \$100,000 for telehealth expansion, and \$1 million for a broadband program to assist residents with construction costs to extend broadband to the home through an existing Loudoun County Franchisee. As of July 31, 2021, the County has not expended SLFRF for these programs but will include in future reports as the programs develop.

Broadband Infrastructure

The impact of COVID-19 on the County highlighted the urgent need to deploy broadband to underserved and unserved areas in Western Loudoun County due to the increase of teleworking and the adoption of 100% distance learning by the Loudoun County Public Schools (LCPS) requiring synchronous learning for classes from home. Approximately 21% of LCPS students attending elementary, middle, and high schools in the Western LCPS Planning District and in part of the Central Loudoun LCPS Planning District are potentially impacted by inadequate broadband connectivity or lack of broadband altogether. To address this situation, a board member initiative was brought forward to expedite the deployment of broadband through an emergency broadband implementation plan. Staff evaluated over 30 available grants in the State, Federal and Private sectors with criteria varying between middle-mile and last-mile solutions, and financial options ranging from loans to partial match requirements grants. Based on fit and opportunity, the County selected the Virginia Department of Housing and Community Development (DHCD) Virginia Telecommunications Initiative (VATI) grant as the vehicle for last-mile broadband deployment to unserved areas. The County published a Request for Expressions of Interest to seek private partnership(s) for the fiscal year (FY) 2022 grant opportunity submission. All Points Broadband and their partners Dominion Energy and NOVEC were selected to collaborate with the County on the FY 2022 submission.

The County engaged with All Points Broadband and Dominion Energy on May 14, 2021, to apply for the VATI Grant through the Virginia DHCD. This funding is specifically intended to extend broadband service to unserved areas of Loudoun County that meets the minimum speed standards of SLFRF. VATI prepares communities to build, utilize, and capitalize on telecommunication infrastructure to create strong, competitive communities. The Board allocated \$12.425 million of future SLFRF for the required local match, which is allowed under the VATI grant program. Applications are due by September 14, 2021, and award announcements are anticipated in late December 2021.

Revenue Loss

As of July 31, 2021, the County used \$20 million in SLFRF to offset a portion of the calculated loss in revenue which was used towards the provision of government services under the Revenue Replacement eligible use category. These services include Parks and Recreation and Law Enforcement. During the shutdown of 2020, the County did not lay off employees. Instead, employees were reassigned to other jobs and tasks where possible, new programs were implemented that promoted resident and employee safety, and employees who could not be reassigned to other tasks or who could not telework continued to receive pay. Continuing to provide services without the associated revenue resulted in a drain on resources that were anticipated through the budget process to fund capital improvements such as roads and government facilities. Using this influx of cash to help fund government services ensures the integrity of the County's capital project program in FY 2022 and beyond.

Promoting equitable outcomes

County leadership is committed to supporting residents and businesses most impacted by the pandemic. Active projects that were created to address immediate needs were targeted to those communities as noted below. Additionally, in compliance with ARPA, the County will track performance measures to evaluate the impact of projects on the population they intend to serve.

Economic Development Programs

Each program is promoted in advance of its opening using traditional advertising in local newspapers, social media, direct mail, and direct outreach. This combination of outreach efforts is necessary to ensure assistance is targeted to those most impacted by the public health emergency. These efforts of public outreach and awareness seek to ensure equitable outcomes of the economic impact the local recovery grant programs generate. To ensure that the application process is inclusive of a diversity of businesses, including minority-owned businesses, the County holds webinars to allow businesses to ask questions and prepare for the application process and incorporates translation assistance in the online application. The application also asks in five languages if translation services will be needed. If they are, the County will utilize translation and interpretation services as needed to support all applicants.

All businesses are asked to provide demographic information that the County uses to understand its small business make-up. That information is not generally available at the local level and receiving demographic data directly from businesses allows staff to cater its marketing efforts and outreach to the communities most in need of continued support. The goal is to increase minority business participation by reaching those communities and using community

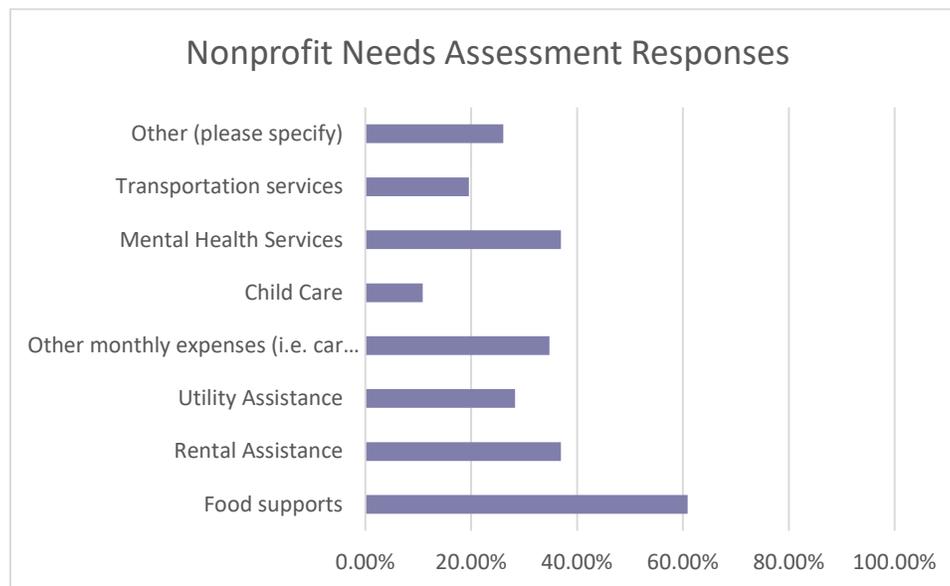
groups for outreach and grant facilitation as needed to distribute positive economic impacts to the diversity of the County's small businesses.

The Loudoun County Department of Economic Development utilizes a centralized application and reporting system that provides real-time data and reports to monitor the impact of the available programs.

Nonprofit Assistance Grant Program

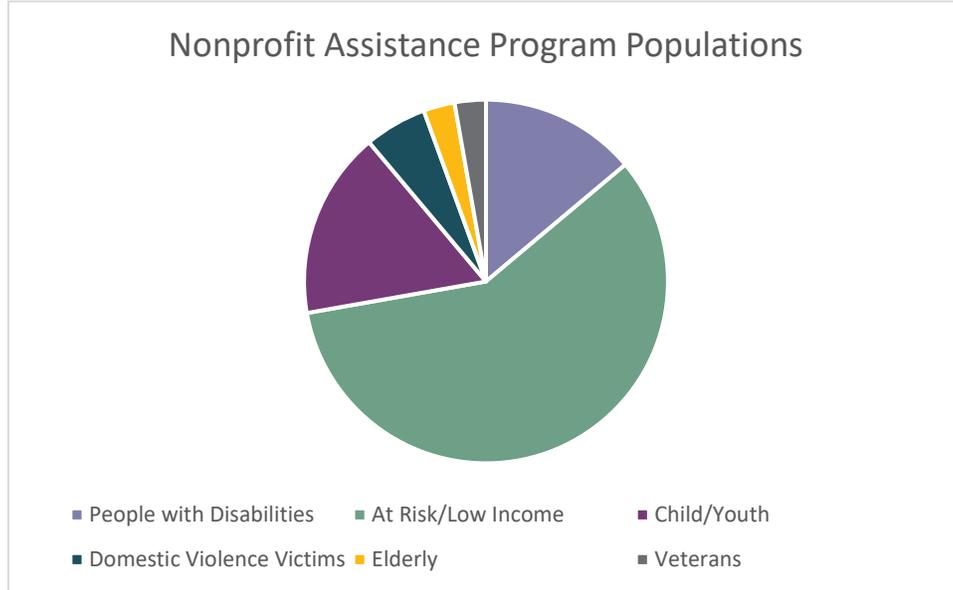
The nonprofit assistance program was intentionally developed to target populations that have been most impacted by the pandemic, striving to provide equitable access to services more easily accessible to populations that have been less impacted by the pandemic. Each of the services listed in Chart 3 will be funded through a competitive grant program in which nonprofit organizations are required to describe the needs of the population they serve, including demographic information and service levels.

Chart 3



Of the thirty-six nonprofit organizations approved for funding, 100% focused their applications on services aimed at supporting the County's most vulnerable residents. Chart 4 illustrates the service populations. Most nonprofit grantees also indicated that the services provided would be based on income requirements or would be focused on the areas of greatest need within the County. All grantees of the nonprofit assistance program are required to report demographic information throughout the course of the grants. County staff are responsible for actively monitoring grantees to ensure services are going to target populations.

Chart 4



Broadband Infrastructure

The Broadband emergency expansion through the VATI grant is directly targeted to the unserved population in Loudoun County and is intended to provide reliable, high-speed, and affordable broadband coverage to that population. Additionally, the requirements of the VATI grant are in alignment with the Interim Final Rule of the ARPA in terms of equitable outcomes.

Community Engagement

The County has been directly engaged with the business and nonprofit communities since the onset of the pandemic. This regular outreach has allowed the County to stand up economic development and nonprofit programs quickly to fulfill immediate needs. Nonprofit programs target the most economically disadvantaged individuals, for example those struggling to pay rent and utility bills, while economic development programs have targeted small and/or minority-owned businesses, or impacted industries, who are dependent on visitors.

SLFRF economic development programs were directly influenced by feedback obtained from businesses that utilized the County's Business Interruption Fund program in 2020. In surveys during and after distribution of funds, businesses indicated that the pandemic has necessitated new lines of business, new ways of doing business, and additional workforce needs that require additional capital and programmatic support as recovery continues and uncertainty lingers.

Nonprofit organizations were polled in Spring 2021 to identify the topic areas and services they anticipate will continue to require enhanced COVID-19 support. Chart 3 above illustrates the areas where support is still needed for residents to recover from the pandemic adequately.

Broadband expansion has been an ongoing priority of the Board and has been included periodically as an agenda item at public business meetings, during which citizen input has been shared on this topic and recorded in the public record. Meetings and discussions with incumbent broadband providers and input from the Communications Commission have helped to shape the expansion program. Beginning in November 2020, quarterly updates are now provided to the Board at public business meetings in an effort to proactively monitor progress in this critical priority area.

Loudoun County will continue utilizing its current avenues of community engagement when planning for, and implementing, the remaining uses of SLFRF funds. Additionally, staff will engage County Departments to identify needs in specific areas, and the County is considering community engagement platforms to assist with community surveying and benchmarking.

Use of Evidence

Loudoun County is committed to data-informed decision-making. As such, each of the expenditure categories in the SLFRF reporting and compliance guide where recipients must identify the amount of the total funds that are allocated to evidence-based interventions will be required to either, (a) demonstrate they are using an evidence-based practice or intervention (EBP/I) or (b) provide an evaluation plan including a logic model, approach and expected outcomes. This will be required for any eligible project over \$50,000. In cases where small organizations are supporting community projects for residents most impacted by COVID-19, county staff with evaluation experience will provide technical assistance to smaller organizations implementing EBP/I in order to monitor their progress objectively.

As the County progresses through the implementation of projects, the level of evidence for each project will be tracked and posted to inform the community which projects are evidence informed. The County recommends the use of multiple clearinghouses to identify EBP/I and will provide guidance to organizations seeking to fund a project. County staff will use the Results First Clearinghouse, and other agency-specific clearinghouses to categorize EBP/I into pre-defined levels of evidence.

The County will adopt the Pew Charitable Trust's definitions of three levels of evidence to identify projects that are making an impact in our communities:

- Evidence of positive impact. The program, practice, or policy has shown a positive impact on at least one outcome.
- Evidence of no impact. The program, practice or policy has shown no impact on at least one outcome.
- Evidence of negative impact. The program, practice, or policy has shown a negative impact on at least one outcome.

Each applicable project over \$50,000 will be assessed for its evidence and potential impact. For those currently utilizing EBP/I, results will be assessed against formative evaluations to identify areas of improvement or new evidence for its effectiveness. In projects that do not have an established EBP/I, evaluation data will be analyzed by County staff to identify into which level of evidence the project would be categorized.

Table of Expenses by Expenditure Category

Category		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	20,000,000	20,000,000

PROJECT INVENTORY

The below information provides an overview of the County's active projects as of July 31, 2021:

Project 2-2.11-1:	Hotel Grant Relief Program
Funding amount:	\$6,000,000
Project Expenditure Category:	2 - Negative Economic Impacts (Sub-category 2.11 – Aid to Tourism, Travel, or Hospitality)

Project overview

The Hotel Relief Grant Fund will provide grants of \$1,000 per room up to \$250,000 to each establishment meeting program eligibility requirements. The funds can be used for general operating expenses such as rent, payroll, job training, and COVID-19 related costs such as PPE, sanitation services, or equipment. The application window opened on August 9, 2021 and will close once all eligible businesses have been positively contacted and indicated whether they will apply or have chosen not to pursue this funding. An announcement will then be made to indicate the application portal closing with a minimum of 10 days before it officially closes. A review team will evaluate and certify applications that meet eligibility requirements and issue payment to all eligible establishments through the Economic Development Authority. The intended outcomes are that these establishments are able to open to full-capacity and bring back jobs to as close to pre-pandemic levels as possible.

For more information and eligibility requirements, a link to the program can be found here: [Loudoun County Hotel Relief Grant Fund](#)

Use of Evidence

Due to the negative impacts on the travel, tourism, and hospitality industry across the entire country, this particular expenditure category is not required to have evidence-based reporting, however, the County will be tracking hotel revenues and employment levels as outcome measures to evaluate the effects of the program. All applicants have to certify that they were open as of August 1, 2021 in order to qualify and have been asked to provide employment numbers as of February 2020 and current as part of the application. Additionally, applicants have been asked to provide room capacity, and revenue and expenses as indicators of operational capacity in order to look to the overall health of the industry. They have also been asked to provide workforce numbers as an overall indicator of recovery. All awardees will receive a post-award survey asking for the same data again to measure the effectiveness of the program.

Project 2-2.10-2:	Nonprofit Assistance Program
Funding amount:	\$2,500,000
Project Expenditure Category:	2 - Negative Economic Impacts

Project overview

The Nonprofit Assistance Program will assist the community with both COVID-19 response and recovery from the economic impacts of the pandemic. These funds are available to Loudoun nonprofits and faith-based organizations who meet the following criteria:

- Good standing with the State of Virginia SCC
- Provide proof of nonprofit status
- Provide last three years of 990 forms
- Can demonstrate that their services or that the residents they serve continue to be affected by COVID-19.

To qualify, organizations must complete the application process during the application window. This grant opportunity is open to any nonprofit or faith-based organization who continues to experience COVID-19 related changes in services. These changes must be demonstrated in the application.

Consistent with previous nonprofit assistance programs provided in 2020, the County accepted applications under the following programs:

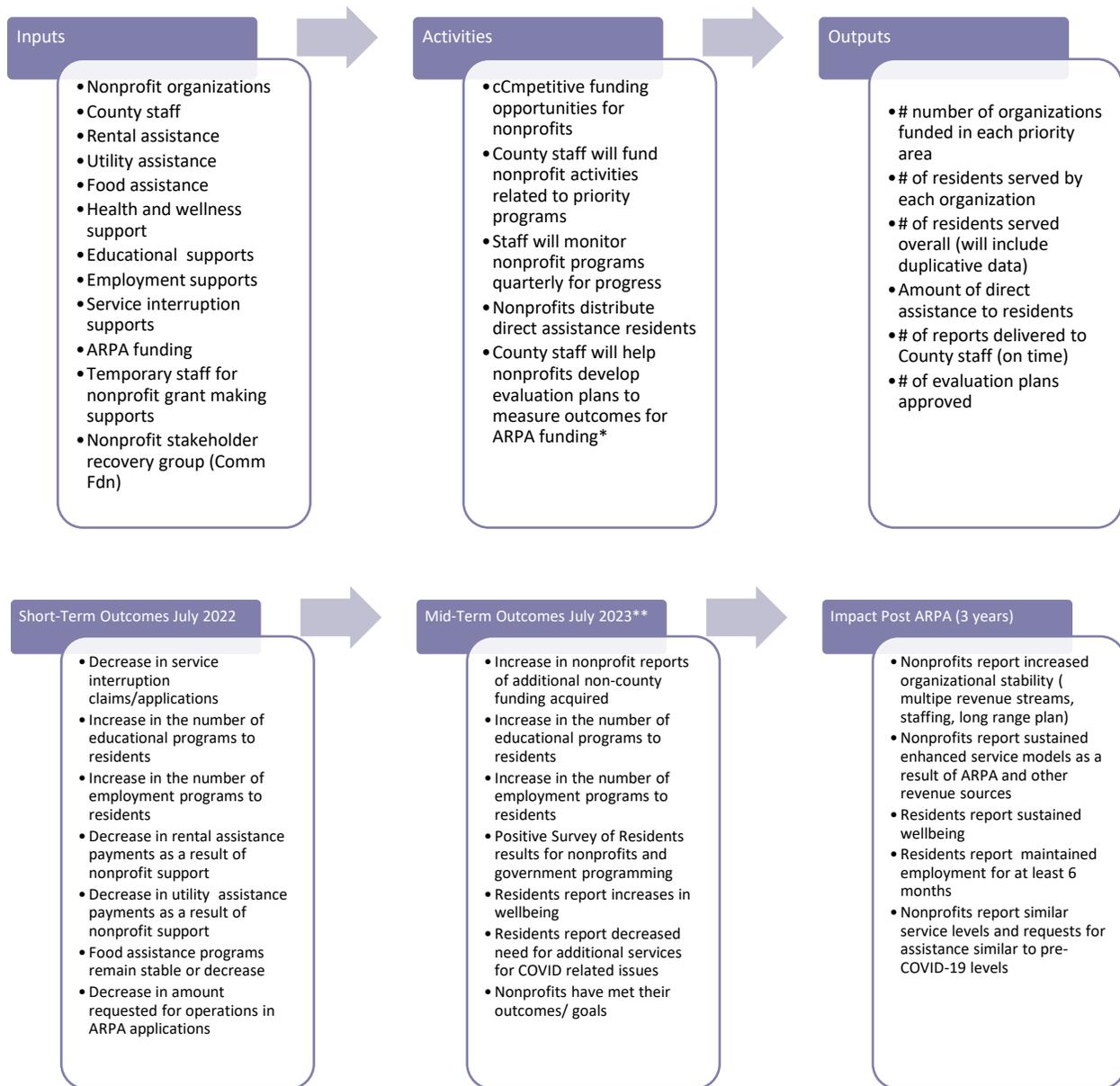
- **Emergency Food Assistance Program** – Organizations may request funding for the purchase of food and food delivery expenses. Each applicant must demonstrate a continued need for funding, such as year-over-year increases in the number of clients, to be considered for funding.
- **COVID-19 Service Expansion Program** – This program will provide funds to organizations who demonstrate they have significantly expanded their services due to COVID-19. Each applicant must demonstrate their expansion for COVID-19 services will continue into the next Fiscal Year. New applicants must demonstrate how they expanded services due to COVID-19. Previous applicants who have expanded services and require further expansion must demonstrate the need for further expansion.
- **Service Interruption Program** – This program will provide funds to organizations who can demonstrate they have had to interrupt their service provision due to the COVID-19 pandemic. Applicants must demonstrate how their services remain negatively affected and can provide a plan which uses ARPA funds to support adaptations to service model delivery and thus lessens the continued need for federal assistance.
- **Nonprofit Service Continuity** – This program provides funds to organizations that can demonstrate that their level of services and residents served have been maintained at a consistent, stable level but have had unexpected costs due to the COVID-19 pandemic. New applicants must demonstrate that their services have; (a) expanded due to COVID-19 and are now maintaining pandemic-level services or, (b) have maintained their service level throughout the pandemic but can demonstrate additional new costs for adaptations or service delivery changes.

The application window for nonprofit organizations closed July 15, 2021 and reviews concluded August 15, 2021. Award notifications were sent to organizations on August 20, 2021 for one-year awards and disbursements will be made in September.

For more information and eligibility requirements, a link to the program can be found here: [Loudoun County Nonprofit Grant Opportunities](#)

Use of Evidence

The nonprofit assistance program awardees requesting \$50,000 or more are required to either; (a) use a documented evidence-based framework or, (b) develop an evaluation plan that demonstrates a link to the overall project outcomes in the logic model below.



PERFORMANCE REPORT

Hotel Relief Grant Program Initial Key Performance Indicators

Measure	May 2019	May 2020	May 2021
Loudoun County Hotel Revenue ⁱ	\$19.0 Million	\$3.0 Million	\$9.6 Million
Loudoun County Unemployment ⁱⁱ	2.4%	8.4%	3.3%

Applicant reported data will be included in future reports.

Nonprofit Assistance Program Key Performance Indicators

Key performance indicators for the nonprofit assistance program will be reported once each awardee determines their evidence base or logic model.

ⁱ Source: Loudoun County Department of Economic Development Monthly Report

ⁱⁱ Source: Virginia Employment Commission