City of Virginia Beach, Virginia Recovery Plan

State and Local Fiscal Recovery Funds

July 1, 2024 - June 30, 2025, Report

City of Virginia Beach, Virginia

2025 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

This Recovery Plan Performance Report (Recovery Plan) is being submitted as required by the U.S. Department of the Treasury (Treasury). This Recovery Plan covers the period from the last report (submitted July 31, 2024) to June 30, 2025, and must be submitted to Treasury by July 31, 2025. The City of Virginia Beach (City) is required to submit the Recovery Plan each year and it will be submitted to Treasury within 30 days after the end of the 12-month period.

The American Rescue Plan Act (ARPA) of 2021 was signed into law by President Biden on March 11, 2021. The ARPA included $350 billion as part of the Coronavirus State and Local Fiscal Recovery Fund (Fiscal Recovery Fund) and provides direct federal assistance to states and localities. The City of Virginia Beach was eligible to receive funds from both the city and county components of Section 9901. The City of Virginia Beach has been allocated $136.4 million in Fiscal Recovery Funds which has been received in two payments. The first payment of $68.2 million was received in the spring of 2021 and the second payment of $68.2 million in the spring of 2023. Please note, funding received directly by the Virginia Beach City Public Schools (VBCPS) is not included in the above funding amount. The deadline to obligate funds is December 31, 2024, and they must be spent by December 31, 2026.

The uniquely challenging situation of the pandemic critically impacted the City of Virginia Beach community health, social interactions, economy, and City services. Since March 2020, the City engaged in preparation and response to our community and its residents. The City utilized American Rescue Plan Act (ARPA), also known as State and Local Fiscal Recovery Funds (SLFRF), funds to provide government services which further allowed the City to achieve a strong recovery from the COVID-19 pandemic by building transformative programs and services through a lens of community equity and resiliency.

The City has reviewed and considered the eligible uses of ARPA funds provided by the U.S. Department of the Treasury's Final Rule. This process included City Council priorities, the assessment of economic recovery needs for City services, the community understanding, implementing the Department of the Treasury's guidance, participating in professional organizations' training resources and evaluating the negative impacts of the COVID-19 pandemic on the City of Virginia Beach.

From the text of the *American Rescue Plan Act* and from further information contained within the explanatory *The Final Rule*, City Staff identified five primary areas of eligible uses.

I. Public Health
II. Negative Economic Impacts (Assistance to Households, Small Businesses, and Nonprofits)
III. Premium Pay
IV. Revenue Replacement
V. Investments in Certain Capital Projects

On December 29, 2022, the Consolidated Appropriations Act, 2023 was enacted, amending the January 2022 Final Rule to provide additional flexibility for recipients to use SLFRF funds by adding three new eligible use categories listed below:

VI. Emergency Relief from Natural Disasters
VII. Surface Transportation
VIII. Title 1 Projects

The City has elected not to amend its current ARPA funding allocation to incorporate these three new categories.

U.S. Treasury requires states, territories, and metropolitan cities and counties with a population that exceeds 250,000 residents (i.e., Tier 1 recipients) to submit the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) Recovery Plan Performance Report (Recovery Plan). The Recovery Plan provides the public and U.S. Treasury information on the programs and projects that are funded through ARPA allocation and how the City is planning to ensure program and projects outcomes are achieved in an effective, efficient, and equitable manner.

As of the December 31, 2024 obligation deadline established in the Final Rule, the City has obligated 99.9% of the total funding received, leaving a balance $126,399.19 for the City to return to Treasury. As of this report, the City is currently working with Treasury to return these unobligated funds.

All obligated funding received from the Fiscal Recovery Fund has been allocated to the City of Virginia Beach selected departments and nonprofit partner programs reflected in the following categories in the table below.

Actual spending through June 30, 2025, totaled $117.1 million or 85.9% of the ARPA obligation.

	ARPA REPORT AS OF JUNE 30, 2025				
Dept.	**Project Name**	**Project ID**	**Total Obligated**	**Total Spent**	**% Spent of Budget**
PW	Enhanced Neighborhood Rehabilitation	100585	$30,579,988.30	$29,407,889.86	96.17%
PW	Lake Management	100586	$14,300,000.00	$6,102,466.02	42.67%
P&R	Parks Capital Infrastructure Replacement	100587	$16,775,000.00	$16,078,019.85	95.85%
PW	Recreation Centers HVAC Replacement/ Repair	100588	$4,400,000.00	$3,931,466.41	89.35%
PW	Central Utility Plant Enhancements	100589	$4,704,423.04	$4,298,069.78	91.36%
PW	Courts Building Direct Digital Control	100590	$3,916,157.43	$2,851,873.47	72.82%
PW	Parks and Rec Construction Yard Relocation	100591	$12,451,244.00	$9,098,986.88	73.08%

IT	Telehealth & Case Management	100592	$2,210,961.96	$2,206,328.94	99.79%
IT	Southside Network Authority Regional Broadband Ring	100593	$8,299,992.88	$6,387,676.26	76.96%
IT	Library Meeting Rooms Technology Modernization	100594	$725,331.41	$668,572.23	92.17%
P&R	Little Island Parking Lot Improvement	100607	$1,549,999.79	$1,411,648.48	91.07%
PW	Voter Registrar Facility	100670	$2,561,742.00	$2,561,742.00	100.00%
	TOTAL CIP PROJECTS		**$102,474,840.81**	**$85,004,740.18**	**82.95%**

	Non-Profit (Initiatives)	Project ID	Total Obligated	Total Spent	% Spent of Budget
Grants	United Way of South Hampton Roads - Grant for VBthrive	G1000	$11,338,258.00	$11,338,258.00	100.00%
Grants	United Way of South Hampton Roads - Grant for Business Relief	G3000	$5,672,600.00	$5,672,600.00	100.00%
Grants	Foodbank of Southeastern Virginia, Inc - Grant	G4000	$5,450,000.00	$5,441,427.70	99.84%
Grants	Virginia Beach Community Development Corporation Grant for Scarborough Square	G6000	$480,000.00	$157,879.99	32.89%
Grants	Virginia Beach Community Development Corporation Grant for Westneck Village	G7000	$348,000.00	$318,057.83	91.40%
Grants	The Samaritan House, Inc Grant	G8000	$750,000.00	$750,000.00	100.00%
Grants	Mother Seton House, Inc Grant	G9000	$1,000,000.00	$950,000.00	95.00%
Grants	Emergency Housing Voucher Grant	G10000	$1,910,000.00	$1,768,252.08	92.58%
Grants	Virginia Beach Psychiatric Center	G11000	$108,800.00	$105,190.13	96.68%

Grants	City Workforce - Premium Pay	G13000	$5,094,605.00	$5,094,605.00	100.00%
Grants	Judeo-Christian Outreach Center JCOC	G14000	$500,000.00	$475,000.00	95.00%
Grants	The Public Health Foundation	G17000	$1,076,200.00	$0.00	0.00%
Grants	Meals on Wheels of Virginia Beach	G18000	$50,000.00	$49,239.50	98.48%
Grants	DRS - ARPA Grants Management	G20000	$50,000.00	$45,407.50	90.82%
	TOTAL GRANTS		**$33,828,463.00**	**$32,165,917.73**	**95.09%**
	TOTAL ARPA PROGRAM AS OF JUNE 30, 2025		**$136,303,303.81**	**$117,170,657.91**	**85.96%**

Uses of Funds

The U.S. Department of the Treasury released the 2022 Final Rule effective April 1, 2022, the 2023 Interim Final Rule effective September 23, 2023, and the Obligations interim final rule (IFR) effective November 20, 2023. The documents detail compliance responsibilities and provides additional information on eligible and restricted uses of the Fiscal Recovery Fund as well as reporting requirements. All programs approved for funding are reviewed to ensure compliance with the Final Rule as well as other updates released from Treasury.

Staff continue to revise funding allocations within each of the following broad categories. However, this is intended to be a dynamic process, and allocations will be updated based on changing needs, other funding opportunities that arise, and City priorities.

The City has obligated 99.9% of the total funding received, leaving a balance $126,399.19 for the City to return to the Treasury. Actual expenditures through June 30, 2025, totaled $117.2 million respectively. Expenses increased $44.1 million over the prior year reporting period (June 2024). All projects are discussed in more detail in the Project Inventory section beginning on page 09.

Promoting Equitable Outcomes

In their May 2021 conversation, members of the City Council made clear that a desired intent with the use of the federal funds was to help communities that continued to suffer adverse effects from the pandemic. Promotion of economic support and assistance, including explicitly for Small, Women and Minority-Owned (SWaM) businesses, was shortlisted as a City priority. This reinforces recent City funded endeavors in encouraging and supporting SWaM businesses, including additional resources to the SWaM Business Office, conduct of a disparity study, adoption of a resolution devoted to increasing the City's aspirational goal for the number of contracts that are awarded to SWaM businesses, and promotion of recurring informational and training sessions.

In identifying categories in the City's set of instructions regarding American Rescue Plan Act budget submissions that were delivered to individual departments, equity was set out as its own entire category, rather than embedded within other categories as in The Final Rule. This designation was done to ensure that departments prioritized equity and viewed it as a more holistic priority than just as a subset of immediate aid.

To qualify a project under equity, the disproportionately impacted population and community must be identified by the local government and reported to the United States Department of the Treasury. For administrative convenience and direction, the Treasury established a baseline that all services located within or provided expressly to the people of a Qualified Census Tract are automatically eligible under this category. Qualified Census Tracts are determined by the United States Department of Housing and Urban Development for low-income housing tax credits based on incomes and poverty rates. This is not to be confused with Opportunity Zones, which is an economic development tool that provides capital gains income tax benefits for investment in distressed areas. Opportunity Zones were nominated by state governments, certified by the United States Department of the Treasury, and reported under the Internal Revenue Code.

While there may be some overlap among individual census tracts between the two programs, there are more Opportunity Zones in Virginia Beach than there are Qualified Census Tracts. In Virginia Beach, there are only three Qualified Census Tracts (442, 448.06, 458.10). Two of the three are located on the north and east side of Naval Air Station Oceana, while the third is in Green Run.

Community Engagement

The City of Virginia Beach is committed to community participation in the American Rescue Plan Act. As previously mentioned, the City solicited or received programmatic proposals from a number of community groups, including non-profits and businesses associations. These groups focus on a diverse range of topics, from food assistance to employment services to the provision of housing to impacted industries. City staff has also received referrals regarding additional proposals from the community from members of the City Council.

Additionally, after the City Manager's released the spend plan, the City held an official, formal, public hearing on the spend plan during City Council's October 5, 2021, Formal Session. By having the hearing after the plan's release, citizens were afforded the opportunity to directly promote or criticize parts of the Manager's plan, thereby most concretely influencing if certain proposals should advance into the City's adopted plan or not. Furthermore, the hearing period presented citizens the option to present alternative proposals and uses of the federal funds. After the public hearing, the City Council considered the plan, with a full amendment process available to Council.

City Departments and nonprofit partners community engagement strategies over the past 12 months include (but not limited to) Outreach programs, Onsite counseling, site tours, engagement with community partners, citizens surveys, and town-meetings.

Labor Practices

The City of Virginia Beach is committed to upholding strong labor standards that promote effective and efficient delivery of high-quality infrastructure projects while fostering robust employment opportunities for workers in our community. Our workforce practices on these projects are governed by the 2022 Final Rule, 2023 Interim Final Rule, the Obligations IFR and the City of Virginia Beach's Procurement Procedures Manual and all applicable laws and regulations. The primary focus of our procurement process is to ensure open and free competition, providing all suppliers with an opportunity to bid on goods, services, and construction projects.

To promote effective and efficient delivery of high-quality projects while supporting economic recovery through strong employment opportunities, the City of Virginia Beach follows a rigorous and objective contractor selection process. Our procurement practices emphasize contractor integrity, ethical standards of conduct, compliance with public policy and federal contract provisions, and a positive record of past performance. We also consider the financial, technical, and human capital capacity of contractors to ensure they can successfully perform under the terms and conditions of the solicitation.

We strive to attract contractors who adhere to labor practices that prioritize worker well-being, fair compensation, and job security. Our procurement guidelines emphasize the consideration of contractor integrity, ethical standards of conduct, and compliance with labor laws and regulations. Contractors with a track record of valuing their workforce and fostering positive labor relations are given due consideration in our selection process.

Additionally, the City has a SWaM Office whose mission is to ensure all businesses, including those owned by minorities, women, and service-disabled veteran owned businesses are afforded the maximum practicable opportunity to participate in the City's contracting processes for commodities, construction and other professional services. This ensured that ARPA enabled programs and projects that were selected were vetted and considered through a local lens of equity if that service was contracted to a community partner.

Use of Evidence

The City of Virginia Beach will include evidence-based interventions, rigorous program evaluations and/or supporting data as appropriate based on the program or service. If applicable, detailed information will be provided for each project in the Project Inventory section below.

Performance Report

On October 19, 2021, City Council approved $82,063,098 of the City Manager's recommended ARPA Budget related to capital projects to be constructed by the City. On November 16, 2021, City Council approved the remaining $54,366,605 of the City Manager's recommended ARPA Budget that provided funding and support for Economic Support and Assistance, Broadband, Public Health, Affordable Housing and Premium Pay.

The Fiscal Recovery Fund is one-time funding; therefore, in keeping with the City's financial policies, this funding should be used to cover one-time expenses. The intent is not to create new programs or expand existing programs that require baseline funding. However, in some instances, the Fiscal Recovery Fund may be used to support existing Capital Projects Programming.

The City of Virginia Beach incorporates performance management into its SLFRF program through regular quarterly meetings with City Departments and nonprofit organizations who oversee funded projects and track milestones. They report out on their projects progress and expenditures for transparent project advancement and fund utilization. Through continuous data monitoring and analysis, we are able to identify any deviations or challenges that may arise during project implementation and take timely corrective actions. Regular meetings with funded projects ensure timely project updates and the project continues to be in alignment with program goals.

The City's commitment to effective performance management ensures accountability and optimizes program impact. Data-driven decisions further support equitable and sustainable recovery efforts within the City of Virginia Beach. It also allows the City to ensure appropriate project management, allowability of expenses and adherence to Treasury's Final Rule as well as Uniform Guidance.

PROJECT INVENTORY

The Project Inventory section is intended to provide a brief description of all Fiscal Recovery Fund projects. This section includes all projects that are approved by the Virginia Beach City Council.

I. Public Health

Project Name	Project Number	Total Obligated	Total Spent
Recreation Centers HVAC Replacement/Repair	100588	$4,400,000.00	$3,931,466.41
Central Utility Plant Enhancements	100589	$4,704,423.04	$4,298,069.78
Courts Building Direct Digital Control	100590	$3,916,157.43	$2,851,873.47
Virginia Beach Community Development Corporation Grant for Scarborough Square	G6000	$480,000.00	$157,879.99
Virginia Beach Community Development Corporation Grant for Westneck Village	G7000	$348,000.00	$318,057.83
The Public Health Foundation	G17000	$1,076,200.00	$0.00
	TOTAL	**$14,924,780.47**	**$11,557,347.48**

100588 – Recreation Centers HVAC Replacement/Repair

This project will address previously unfunded repairs and renovations to the heating, ventilation and air conditioning (HVAC) systems at 6 City Recreation Centers. At the Bayside and Great Neck Recreation Centers, the project will replace the cooling tower, 2 Pool-Pak dehumidification units, air cooled condensers, and the exhaust fans. At Bow Creek, the project will replace the tandem chiller. At Williams Form, the project will replace 2 pool heaters. At Seatack, the project will replace 6 rooftop units and replace the Pool-Pak dehumidification units. At Princess Anne, the project will replace the cooling tower.

100589 – Central Utility Plant Enhancements

The Municipal Center Campus is heavily used by the public and the City's workforce. Individual buildings at the Municipal Center are supported by the City's Central Utility Plant. To ensure the survivability and livability of the campus, investments can be made at the Central Utility Plant to modernize aspects of the City's air quality and ventilation.

This project will address previously unfunded and renovations to the Central Utility Plant located at the Municipal Center. The Central Utility Plant generates hot and chilled water, which is then distributed to 17 Municipal Center building to provide heating and cooling of the air and in some facilities, domestic hot water. Specifically, this project will replace 60 ice tanks used to produce chilled water, add I redundant chilled water pump #3, replace boilers #1 and #2, and replace underground piping to MH # 1 and MH # 4.

100590 – Courts Building Direct Digital Control

The Virginia Beach Courts Building is another City facility that hosts thousands of visitors and staff every year. The Courts Building's HVAC system, and thus its temperature, humidity, and fresh air intake settings, is controlled by a Direct Digital Control system. The current system has become obsolete. In fact, the manufacturer of the current system has ended the provision of software updates for the system.

This project will upgrade and migrate the Municipal Center Courts Buildings 10, 10A, and l0B from the Tridium Niagara AX Heating, Ventilation and Air Conditioning (HVAC) Building Automation System (BAS) to the Tridium N4 HVAC BAS. This software upgrade will also require the replacement of 330 Variable Air Volume (VAV) actuators, 20 Fan Coil Unit (FCU) Hot Water (HW) actuators, supply air damper actuators, flow stations, current transducers, fan relays, thermostats and 6 Air Handling Unit controllers, hot and cold water valve actuators, sensors, Variable Frequency Drive (VFD) Integration, wiring, licensing, Tridium JACE controllers, and commissioning.

G6000 - Virginia Beach Community Development Corporation (VBCDC) - Scarborough Square Renovations

Investment in VBCDC's Scarborough Square property will maintain <u>sixteen</u> townhomes that are a critical part of the City's low-income housing stock. These units serve 41 people with household incomes between $11,000 and $59,000. The Scarborough Square townhomes are over forty years old and have not had major upgrades in this century. Critically, due to the placement of these units within the AICUZ zones, Scarborough Square is no longer eligible for traditional federal housing assistance from the Department of Housing and Urban Affairs. Therefore, this opportunity provides one last chance to use federal funds to make necessary lifecycle upgrades. In particular, VBCDC will use *American Rescue Plan Act* resources to replace: HVAC units; windows; siding; roofs; kitchens; bathrooms; appliances; water heaters; flooring; and electrical systems, among others. Many of these items are decades such as the air conditioner unit. Project status is to completion is 65%.

G7000 - Virginia Beach Community Development Corporation - Westneck Village Renovations

Westneck Village is a partnership between the VBCDC, the City, and another non- profit entity. Designed in 2007, Westneck Village serves as a City Intermediate Care Facility and houses adults with developmental and intellectual impairments who require staff support. Given the health conditions of the residents, those at Westneck Village are extremely susceptible to the coronavirus pandemic and in particular strengthened variants such as Delta. There are 24 units in Westneck Village and all residents are below the City’s median family income.

While VBCDC owns Westneck Village, the City provides staffing for the facility through the Department of Human Services and pays rent for the building space in lieu of placing rental payment demands upon the individual tenants. This project is only for capital upgrades and VBCDC will use *American Rescue Plan Act* resources to replace: fourteen HVAC systems including rooftop units; kitchen cabinets and countertops and the removal of commercial grease trap; two commercial dishwashers and an oven; flooring; and generator feeder cabling. Project status is to completion is 92%.

G17000 – The Public Health Foundation, Inc.

The Public Health Foundation (TPHF) will use the funds to continue and expand the Aging In Place program, the Community Outreach public health services and creation of the Institute of Health Equity Aging in Place provides services to high frequency users of 911 in collaboration with VB Fire and VB EMS-. The program does a biopsychosocial assessment and then creates a curated plan of action to address the underlying needs of the client to mitigate or eliminate their reliance on 911 for nonemergent needs. The community outreach program places trained Community Health Workers CHW directly into our vulnerable communities to provide education, resources and service navigation. The Institute of Health Equity is an overarching program that takes a deep dive into the needs and requests of our residents, analyzes the gaps and creates a strategic vision for implementation. As a part of this program, the Institute will work on creating neighborhood health hubs to make connection with public health services easy and convenient.

As of July 31, 2025, the program status to completion is 5% due to transferring project/work to permanent home (post pilot phase) has been cumbersome to navigate quickly and took longer than forecasted and anticipated launch date of software was pushed back by months which altered the implementation rollout and subsequently kept the program from being able to work at peak efficiency.

Despite a few challenges, TPHF is extremely proud of the work accomplished. A few Key outcome goals over the last twelve months include: Transferred project/work to permanent home now that the initial pilot phase is complete; Inclusive of pilot phase, 239 referrals have been received to date for the Aging In Place Program; with the recently implemented case management software we were able to track (April 1, 2025 through June 30, 2025) 40 completed home visits and 16 pieces of DME which were distributed to clients in need from referrals; secured the commitment of 4 community locations to host HOPE Hubs which will begin launching in July of 2025.

As for Community Engagement strategies, TPHF continues to work directly with service recipients and stakeholders to tailor services to meet the required needs of the communities and to ensure precious resources are leveraged for impact and not wasted. Also, TPHF are continuing to engage with community members and other stakeholders through the Improving Brain Health Community Convening work in partnership with the local health department and The Alzheimer's Association.

Over the next 12 months (July1, 2025- June 30, 2026), TPHF will complete onboarding of 12 staff to implement and increase capacity of the community-based services; 4 HOPE Hubs will be running on a regular schedule with 2 more planned to be piloted; 150 new/unique referrals will be received for the Aging In Place program; and launch Senior Sunshine calls program pilot in next 12 months.

II. Negative Economic Impacts (Assistance to Households, Small Businesses, and Non-Profits

Project Name	Project Number	Total Obligated	Total Spent
United Way of South Hampton Roads - Grant to VBThrive	G1000	$11,338,258.00	$11,338,258.00
United Way of South Hampton Roads - Grant for Business Relief	G3000	$5,672,600.00	$5,672,600.00
FoodBank of Southeastern Virginia, Inc. - Grant	G4000	$5,450,000.00	$5,441,427.70
The Samaritan House, Inc. - Grant	G8000	$750,000.00	$750,000.00
Mother Seton House, Inc. - Grant	G9000	$1,000,000.00	$950,000.00
Emergency Housing Voucher Grant	G10000	$1,910,000.00	$1,768,252.08
Virginia Beach Psychiatric Center	G11000	$108,800.00	$105,190.13
Judeo-Christian Outreach Center JCOC	G14000	$500,000.00	$475,000.00
Meals on Wheels of Virginia Beach	G18000	$50,000.00	$49,239.50
	TOTAL	**$26,779,658.00**	**$26,499,967.41**

G1000 - United Way of South Hampton Roads – Grants for VBThrive (Thrive)

Thrive has entered its third year of operation with continued success in empowering Virginia Beach residents to build pathways toward greater economic stability. With the ongoing support of the City of Virginia Beach, the Thrive program has evolved to meet changing community needs while maintaining its focus on long-term self-sufficiency through mobility mentoring and tailored support services. During this reporting period, Thrive continued to operate its multi-track service model: short-term referrals, intermediate mobility mentoring, and a newly refined long-term mentoring program. While the short-term program ended in April 2025, Thrive remains committed to serving ALICE (Asset-Limited, Income-Constrained, Employed) households through mobility-focused, individualized support.

Since the program inception, Thrive had received 4,403 applications of which 3,249 applicates were eligible to receive assistance. This program has impacted 11,346 households. Thrive is positioned to continue serving Virginia Beach residents through long-term and intermediate mobility mentoring models, focused on sustainable outcomes, housing sustainability, and financial stability. With internal capacity, a streamlined single-entry system, and committed partnerships, Thrive will continue to evolve and meet the needs of the ALICE population.

G3000 – United Way of South Hampton Roads – Grants for Business Relief

LISC Hampton Roads hosted four rounds of the VBthrive Small Business Grant for businesses in the City of Virginia Beach. The Program was started in March 2022 and successfully concluded the program on February 28, 2023. Over the course of the year, 629 applicants applied; 234 were approved, 130 applications were denied, and 263 applications were duplicates, resulting in over $4.2 million in grants. Businesses used the money for two important categories: wages & benefits, and payables such as rent and supplies. This tells us that VBthrive funding was successful in keeping businesses operating and people employed. This program was responsible for the continued success of over 200 small businesses, the lifeblood of the community.

G4000 - Foodbank of Southeastern Virginia and the Eastern Shore

To combat increases in food insecurity, coupled with a lack of resources or desire, for safety reasons, to travel, the Foodbank of Southeastern Virginia and the Eastern Shore recently opted to bring food to people. This was done through the acquisition of multiple vehicles outfitted for food delivery and labeled as the 757 Mobile Market. The 757 Mobile Market serves communities previously identified by the Foodbank as having either high rates of food insecurity or low access to grocery stores. Some metrics that determine destinations include poverty, unemployment, homeownership rates, SNAP benefit percentages, and racial and ethnic information. In Virginia Beach, there are an estimated 40,000 food insecure residents and the two Mobile Markets in Virginia Beach are projected to serve almost 500 households per week.

The 757 Mobile Market is anticipated to be operational for five or six days a week and it contains a multitude of food options, including perishable and non-perishable foods. Food must be acquired above and beyond what is received in either donations or from U.S. Department of

Agriculture programs. One forty-foot truck will serve the entire City, while a smaller vehicle will be dedicated to the Lake Edward and Bayside. Thus, to provide the mobile market with sufficient regular offerings, both in terms of food as well as in staff to drive the trucks and distribute the food, it is recommended that the City invest $5 million to support the 757 Mobile Market as well as several large-scale food distributions that were previously operating in conjunction between the Foodbank and the Department of Human Services.

Over the past three years, there has been a steady increase in the number of household visits to Virginia Beach partner agencies. The Foodbank anticipates continued growth in the number of individual and household visits to these agency pantries. The challenge for both the Foodbank and its VB partners is to secure enough food and funding to meet ongoing increases. Even with substantial increases in grocery rescue and food donations, many agencies do not have enough food to meet the demand and are cutting back on the amount of food distributed to families.

Over the past 12 months, the Foodbank has seen a 73% increase in the number of households visiting partner agency food pantries and distributions in Virginia Beach. Many of the Foodbank's largest partner agencies are in Virginia Beach. These agencies are struggling to keep pace with the increase in demand at their distributions, not only in procuring enough food but also in maintaining their volunteer base to support growing operational needs. The Foodbank is working to resource and develop new and emerging partner agencies in Virginia Beach to shoulder the load carried by the largest partners. The City of Virginia Beach grant has been crucial in supporting the Virginia Beach partner agencies as they provide food for the community.

With the assistance of Partner Agencies over 7,135,368 pounds of food distributed (5,946,140 meals), of which 2,244,232 pounds represented fruits and vegetables. This equates to 257,350 households / 610,399 individuals served (duplicated).

Through the 757 Mobile Market program there were203,774 pounds of food distributed (244,528 meals) and 2,702 households / 6,388 individuals served (duplicated) was provided nutritious foods in underserved areas.

The Foodbank has recently implemented the use of Service Insights, a digital intake system designed by Feeding America to collect neighbor data with the purpose of more accurately identifying food insecure communities and their needs. Service Insights is now up and running at more than half of the 52 partner agencies in Virgina Beach. Service Insights and its user-friendly, neighbor-centered intake process, providing data privacy, and easy key-tag barcode check-in are welcomed by both partner agencies and neighbors. The data collected with Service Insights will provide greater understanding of the neighbors and communities served in Virginia Beach and target the areas most in need. Additionally, during the Service Insight implementation process, the Foodbank identified partner agencies in Virginia Beach serving limited English proficient neighbors and provided material in several languages. Service Insights implementation fostered awareness among Virginia Beach partner agencies to improve language translation and access to services at their pantries.

Virginia Beach partner agencies are the non-profit/faith-based organizations serving at the grass-roots level in various neighborhoods and communities throughout the city. This network of boots-on-the-ground dedicated volunteers and staff are part of the social safety net that the city and those in need rely on to address food insecurity. Their continued partnership with the Foodbank has strengthened community trust in the local food system and serves as an example to other cities of the synergy that can exist between community partners and non-profits, residents, and municipal government.

G8000 – The Samaritan House

According to the group supervisor for the federal government's Homeland Security Investigations in this region, the increase in trafficking during the pandemic reverses several years of no increases. Much of this is directly induced by the pandemic's adverse economic conditions. To ensure that adequate facilities are in place that allows for safe and sustained recoveries for saved victims, the Samaritan House is in the process of developing a new 5,862 square foot house on Lynnhaven Parkway. City Council has previously granted this property a group home conditional use permit and with approvals in place, the house can be built in months.

The facility, as rendered below, will provide eight bedrooms to house victims of child trafficking ages 14 through 18 and offer support and office space for the organization as it provides case management, treatment, education, recreation, life development, nourishment, and other services. The unit will be staffed at all times and Samaritan House will seek Virginia Department of Behavioral Health and Developmental Services licensing and Medicaid certification. This project is 100% completed.

G9000 - Seton Youth Shelter

Seton House is looking to develop a multi-use single campus owned and operated by the organization. The campus will provide permanence, stability, and expanded service offerings, including for more people and through new activities, particularly in outdoor recreation and environmental education. This campus, located at 3396 Stoneshore Road, would consist of a Boys' Shelter, a Girls' Shelter, and an administrative and community education center.

To date, Seton House has received almost $4 million in private donations towards its $5.3 million estimated complete cost. The donations in hand provided sufficient resources for the organization to purchase the land and begin infrastructure improvements and temporary housing. Phase 1 of this project is 100% completed.

G10000 - Emergency Housing Voucher Expansion

In Title III, Section 3202, of the American Rescue Plan Act, $5 billion was appropriated by Congress to the United States Department of Housing and Urban Development for "incremental" emergency vouchers for individuals or families who are homeless, at risk of homelessness, fleeing domestic violence and other physical harm, or were recently homeless, and for the renewal of the vouchers. Through this appropriation, Housing and Urban Development awarded 35 vouchers to the City's Department of Housing and Neighborhood Preservation (DNHP) in the spring of 2021. However, despite the additional resources, the City still maintains a waiting list for people seeking vouchers. Therefore, to build upon the initial federal investment, the DNHP requested the City to fund 65 further vouchers for forty-eight months by utilizing a portion of the APRA funding received. The average cost per subsidy is $843 and the total per month program cost is $1,200. The proposal would also support other housing related costs such as security deposits, application fees, landlord incentives, and contracted staff. Of the amount in year one, 75% is for housing costs and 25% for contracted manpower and staff needs.

Program status to completion is 93% despite challenges over the past 12 months to include several turnovers in case management staff which caused a disruption in the continuity of care and has impacted the quality of services with increased caseloads and stress for the remaining case managers. And with the program ending some of our hardest to serve clients have chosen not to follow through on housing stability plans that includes connections to resources that are necessary for them to sustain their housing. Staff will continue to work with them and explore alternative solutions to prevent them from experiencing a repeat cycle of homelessness at the conclusion of the program. Since the program inception, 73 households have been served, and 34 households have exited with 61% of them sustaining their housing or securing different housing.

G11000 – Virginia Beach Psychiatric Center

This grant awarded to the Virginia Beach Psychiatric Center to pay for the costs of shelter and transportation for discharged individuals who lack access to housing or who has been determined to be homeless. This project is 100% completed.

G14000 - Judeo-Christian Outreach Center (JCOC)

JCOC is working towards replacement of their current campus on Virginia Beach Campus Boulevard. JCOC has land in place and is in the design phase. Request would be for a 50:50 match for donor gifts towards construction. A new expanded JCOC facility will provide 38 affordable housing units; a dining hall that provides more than 110,000 meals to 4,000 people per year; and new administrative offices and support programs. The City will provide a one-time contribution ($500,000) toward the development of 38 affordable housing units; a dining hall and administration buildings. The project status to completion is about 80%. Challenges over the period were due to construction schedules, materials and demolition delays.

G18000 – Meals on Wheels of Virginia Beach

Meals on Wheels of Virginia Beach has been providing an important service to the elderly homebound in Virginia Beach We deliver daily two freshly prepared meals and provide a wellness check along with a visit so that the client is not socially isolated.

The objectives set out for the funded project were successfully accomplished. We expanded our meal delivery services to homebound residents in Virginia Beach, effectively reducing the waitlist for sponsored meal slots and ensuring that more individuals received two nutritious meals each day. In addition, our daily visits provided not only essential nutrition but also valuable social interaction and wellness checks, helping to alleviate isolation and support the overall wellbeing of those we serve.

Despite the project's success and the positive impact on the community, significant challenges persist. Chief among these is the ongoing struggle to secure sufficient funding to meet the continually growing demand for our services. Requests from hospital discharge planners, adult human services, and other outreach organizations often outpace our available resources. Addressing the ongoing and consistent need for funding remains a critical and enduring challenge as we strive to reach and support every resident in need.

III. Premium Pay

Project Name	Project Number	Total Obligated	Total Spent
City Workforce	G13000	$5,094,605.00	$5,094,605.00
	TOTAL	**$5,094,605.00**	**$5,094,605.00**

This appropriation shall be for a one-time premium payment to City full-time staff of $1,000 each and for City part-time staff of $500 each. The premium payments will be made to eligible members of the City workforce per the United States Treasury' *Interim Final Rule*. This one-time premium payment will exclude Council Appointees, Deputy City Managers, Department Directors, Department Heads, and Constitutional Officers**.**

Eligible workers are those low and moderate-income employees who work in critical infrastructure sectors, which may include public health, safety, and emergency response staff; social and human services staff; and other state and local government employees who performed essential work during the pandemic. Essential work is work that (1) is not performed while teleworking from a residence; and (2) involves regular in-person interactions with the public, patients, or coworkers; or involves the regular physical handling of items at work that are also handled by the public, patients, or coworkers

IV. Revenue Replacement

Project Name	Project Number	Total Obligated	Total Spent
Enhanced Neighborhood Rehabilitation - ARPA	100585	$30,579,988.30	$29,407,889.86
Parks Capital Infrastructure Replacement	100587	$16,775,000.00	$16,078,019.85

Parks and Recreation Construction Yard Relocation	100591	$12,451,244.00	$9,098,986.88
Telehealth & Case Management	100592	$2,210,961.96	$2,206,328.94
Library Meeting Rooms Technology Modernization	100594	$725,331.41	$668,572.23
Little Island Parking Lot Improvement	100607	$1,549,999.79	$1,411,648.48
Voter Registrar Facility	100670	$2,561,742.00	$2,561,742.00
	TOTAL	**$66,855,267.46**	**$61,433,188.24**

100585 – Enhanced Neighborhood Rehabilitation

A top priority for City Council is management and planning related to the rehabilitation of the stormwater infrastructure throughout the city, with emphasis on neighborhoods which have reported stormwater needs. Work will include minor system improvements, and acquisition of necessary easements and rights-of-entry to the extent funding is available. This project will address the main purpose to prioritize rehabilitation or repair of existing neighborhood infrastructure within the framework of a comprehensive condition assessment program. Work will include critical rehabilitation stormwater improvements to mitigate neighborhood flooding for moderate rainfall events, focusing on three areas to concentrate to return the neighborhood to the design ten-year event. Those three areas of repair will include but not be limited to close circuit television inspection (CCTV), lining repair, and point repair. This project will extend the useful life of the city's stormwater infrastructure by systematically identifying needed rehabilitation improvements. The overall impact on the community is to provide better stormwater conveyance systems.

100587 - Parks Capital Infrastructure Repair and Replacement

The City has an extensive parks maintenance backlog, estimated at over $30 million. This backlog worsened during the pandemic due to a mixture of high use by residents of City parks as well as reductions in the Department of Parks & Recreation’s ability to fund projects with departmental generated revenues due to closures of City facilities during the Governor’s State of Emergency and the elimination of numerous revenues producing events and classes over that time. The American Rescue Plan Act presents an uncommon opportunity to use federal resources to improve our parks system and recover from the loss of over a year of programming activities.

This project aggregates general amenity replacement with several specific identified use improvements. With respect to the former, the proposal will pare down the overall backlog by replacing sports courts; shelters, benches, trash cans, and tables; playground equipment at 50 neighborhood parks and 20 school parks; and ballfield, backstop, and bleacher replacements. These improvements will occur throughout the entire City such that nearly every resident has the potential to be impacted by this proposal. The goal of this program is to repair and/or replace parks and recreation infrastructure that has exceeded its useful life. This program has performed to this goal and has exceeded community expectations by delivering dozens of updated park amenities and facilities.

Community engagement (mostly for the playground replacements) consisted of posting project plans on the Parks and Recreation website with a period for the public to respond with any comments.

Program status to completion is 96% complete with $16,078,019.85 of $16,775,000 fully expended.

- Mt. Trashmore Park cap repairs and trail repaving (95% complete)
- Munden Point Park restroom replacement (95% complete)
- Bayville Farms Park restroom replacement (98% complete)
- Providence, City View and Great Neck Park paving (100% complete)
- Woodstock Park Skatepark lighting (100% complete)
- Redwing Park repaving and entrance widening (90% complete)
- Pleasure House Point Trail water crossing/pedestrian bridge (99% complete)
- Sports Court and Ballfield replacements at various parks (100% complete)
- 44 playground replacements (100% complete)
- Green Run High School tennis courts replacement (100% complete)

100591 - Parks and Recreation Landscape Yard Replacement (Lynnhaven)

The Parks and Recreation Yard is the present home of the City's Landscape Maintenance Division. The facility dates to the middle of the 20th Century and the facilities are inadequate. For example, access to the site's meeting room is only possible by going through restrooms. Replacement of this project has been included on the City's CIP Requested but Not Funded List for multiple years, including in the currently adopted CIP.

Building a new facility will provide the City with adequate locations for assembly areas; welding; and warehousing, as well as the creation of locker rooms that are designed and developed to the standards of the 21st Century. Having an enhanced work and clean up space will accrue additional benefits in the way of public health and sanitation and principles learned from the pandemic can be incorporated into the new facility. The identified site for the new facility is to co-locate at the current Parks and Recreation Landscape Facility at 4141 Dam Neck Road.

100592 - Enhanced Telehealth and Case Management

This project will continue, expand, and improve telehealth, which could increase the number of cases seen, provide more accurate case management, and offer more flexibility to health care providers, investment is necessary for further technology in the Department of Human Services. Under the new model of health care, stationary office equipment is less important than mobile devices and subscriptions to telehealth platforms such as Doxy-Me.
With an increase in telehealth, providers can connect with clients from their homes, thereby seeing more clients for routine visits with less wait times, while reserving office space for more serious visits and treatments. When in the field, with mobile devices, providers will have a greater ability to access patient records, which reduces time spent on duplicative questioning of patients and allows the providers to offer more comprehensive services. At the same time, devices can be provided to those patients most in need, which provides better techniques for monitoring severe

cases. With telehealth and field services, an expanded universe is possible for staffing as reduced commute times to a centralized location can become a competitive incentive towards retaining and hiring service providers, which is a challenge for the City and the entire health care sector at present.

100594 - Library Meeting Rooms Technology

This project will provide the Virginia Beach Public Libraries (VBPL) with modern technology solutions for Its library meeting spaces Equipment is be provided for collaborative spaces such as public computer lobs, mobile classroom equipment, standard meeting spaces, study spaces, and huddle rooms Capabilities will include video conferencing, presentation equipment, AV equipment, assistive technology, computers, software, required ports and connections for brine your own device opportunities, control systems, cabinets and racks, and extended support and warranties, as needed Standard equipment will be Installed to allow for common user experience across facilities and to simplify maintenance and equipment lifecycle management The branches included In this project ore Bayside, Great Neck, Kempsville, Oceanfront, Princess Anne, Pungo and Windsor Woods Each branch hos specific needs as the meeting spaces and use vary at each location The spaces Include collaboration rooms, large and small jobs, 'pop-up rooms, standard rooms, study and huddle rooms and kiosk spaces. These enhanced capabilities would allow remote participation in VBPL programs and activities from the safety of patron's homes and other remote locations

100607 – Little Island Park Parking Expansion

These funds have been allocated to support Capital Project #100607 “Little Island Park -Parking lot improvements. This funding will support phase two of the Little Island Park Master Plan. Phase two will construct 279 new spaces and a bath house on the southern end of Little Island Park. Program status to completion is 98% complete with $1,411,648.48 of $1,549,999.79 fully expended. Except for a stretch of bad weather, there have been no challenges over the last twelve months. The goal of the project was to increase access to the park which regularly reaches parking capacity during the summer.

100670 - Voter Registrar Facility

On March 8, 2023, the City of Virginia Beach Internal Auditor's Office released findings that the Office of Voter Registration and Elections is "inadequate for efficient operations" and "experienced difficulties that could have been avoided if it had one large office." On July 11, 2023, City staff provided a briefing to the City Council seeking guidance for how to accommodate the needs of the Office of Voter Registration and Elections, specifically for elections operations, training for election officials, ballot processing and secure storage for election technology and ballots. The City Council provided the direction to search for a facility that would allow for the consolidation of all operations in a singular location.

On February 6, 2024, City staff provided an additional briefing to the City Council on the potential purchase of the facility to seek guidance on next steps. Following that briefing, the direction was to move forward with the purchase of the property.

V. Investments in Certain Capital Projects

Project Name	Project Number	Total Obligated	Total Spent
Lake Management	100586	$14,300,000.00	$6,102,466.02
Southside Network Authority Regional Broadband Ring	100593	$8,300,000.00	$6,387,676.26
	TOTAL	**$22,599,992.88**	**$12,490,142.28**

100586 – Lake Management

This project is for the design, construction, and maintenance of City lakes to include dredging, structural repair and/or upgrade of dams and spillways, aerators, culverts, outfalls, acquisition of necessary easements, real estate acquisition, Right-of-Way, and rights-of-entry to the extent funding is available, and other maintenance activities as necessary to support the function of non-tidal lakes within the City. The overall impact on the community will be to provide additional stormwater storage resulting in positive drainage.

100593– Southside Network Authority Regional Broadband Ring

The Southside Network Authority will run fiber from the Atlantic Ocean deep sea cables here in Virginia Beach through the entire Hampton Roads region, beginning with 120 miles within the cities of the Southside (Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach). This is known as the "regional ring." Once in place, any user, public and private, will have the option of connecting to the ring and the increased speeds it provides.

The current project phase is expected to cost between $23 and $28 million. There are multiple ways of dividing the costs, but it is expected that Virginia Beach's share will likely cost approximately $5 - $7 million. Other participating jurisdictions are expected to reserve funds for the ring as well. The Authority will also submit an application to the Commonwealth for consideration for financial assistance due to its status as a regional entity.

Partnership with private sector; Global Technical Systems (GTS) to build the last fiber mile and lease a few strands of Regional Ring fiber to accommodate internet services, is the most significant community engagement strategy for this project This engagement will allow extension of fiber infrastructure to underserved and unserved neighborhoods of the City of Virginia Beach.

In Feb 2025, based on decision made by Southside Network Authority, they discontinued business with the Designing Company CTC. After switchover from CTC to Danella, the latter company has taken both the designing and building responsibilities of the fiber infrastructure. The City of Virginia Beach, Information Technology Department has provided open data GIS links and instructions to Danella for a fresh start. All permit requests are currently being reviewed and redesigned by Danella for resubmission and consideration. Due to having permit requests completed without thorough walk through by previous designing company, the construction work was delayed. ore time was needed for the new design to be completed and permit requests to be submitted. The Projected is 65% completed with an anticipated end date the first Q1, 2026.

Administrative Cost

Project Name	Project Number	Total Obligated	Total Spent
DRS Consultant	G20000	$50,000.00	$45,407.50
	TOTAL	**$50,000.00**	**$45,407.50**

DRS Consultants were hired in the Spring of 2024. Their services involve assessment of and assistance with the City's America Rescue Plan Act (ARPA) management of funds based on available information, to include program design and stand up, grants management system implementation, program implementing to include monitoring and reporting, and to assist the City with the ARPA program close out.