

City of Virginia Beach, Virginia Recovery Plan

State and Local Fiscal Recovery Funds

July 1, 2021 - June 30, 2022 Report

City of Virginia Beach, Virginia
2022 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

On March 11, 2021, the President signed the American Rescue Plan Act (the "Act" or "ARPA") into law (P. L. 117-2). In Section 9901 of the Act, the Congress appropriated funds to the U.S. Department of the Treasury to make direct apportionments to states, territories, cities, and counties. As part of the legislation, local governments with consolidated governments, such as Virginia Beach, were eligible to receive funds from both the city and county components of Section 9901. Through the Treasury's allocation formula, Virginia Beach's combined share is \$136,429,703.

On May 25, 2021, the City Council was presented with information regarding the Treasury's eligibility standards, as contained in the Interim Final Rule (31 Code of Federal Regulations Part 35, Subpart A). At the same meeting, the Council noted priorities for the use of funds and instructed the City Manager to develop a recommended budget to be presented to the City Council for its consideration.

The priorities contained within this Recovery Plan seek to comport with the priorities set out by members of Council on May 25, while keeping in alignment with the congressional intent and legislative text of the *American Rescue Plan Act* and the guidance provided by the United States Department of the Treasury in the *Interim Final Rule*.

For disclosure and clarity, the May 25th priorities, which were based on an aggregation of individual Council commentary, are listed below. Please note that this list is not in rank order or order of preference or priority. For layout purposes, however, this Recovery Plan will follow the order of this list.

- A. *Stormwater*
- B. *Economic Support and Assistance for Families, Households, Small Business, Non-Profits, and Impacted Industries*
- C. *City Facility and Asset Repair Backlog*
- D. *Broadband*
- E. *Behavioral and Mental Health*
- F. *Affordable Housing*
- G. *Premium Pay*

The American Rescue Plan Act budget process began following the issuance of the City Council goals expressed above. In June, selected City departments and City partners were distributed a budget submission template to uniformly capture all requests of the American Rescue Plan Act funding. These departments were selected based on their alignment to the above priorities.

Requests were due to the Department of Budget and Management Services prior to the July 4, 2021. Throughout July and August, the City Manager, along with the Deputy City Managers, the

Assistant to the City Manager, the Director of Budget and Management Services, Budget and Management Services administrators, the lead budget analyst, the Finance Director, and the Legislative Liaison, met with representatives from each submitting department or partner to review proposals and receive additional information about the intended beneficiaries for each submission. In total, the City received over 100 requests that totaled approximately \$575 million, over four times the amount of funds received from the federal government.

To be eligible for final executive level consideration, projects had to meet the following tests:

- ✓ Align with the priority categories set forth by Council
- ✓ Be within an eligible use in the statute and be explicitly covered by, or substantially similar to, text written in 31 CFR Part 35, particularly §35.6
- ✓ Able to be fully obligated (order placed, contract made) by the end of 2024
- ✓ Demonstrate a high likelihood of constructed or spent by the end of 2026
- ✓ Does not add any FTEs to the City's authorized positions
- ✓ No sizable recurring commitments inside or outside of the organization
- ✓ Minimize duplication with other federal and Commonwealth programs

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

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

Response to the Public Health primarily involve governmental expenses associated with direct health responses to the pandemic and is like expenses that were eligible for federal funds under the CARES Act's Coronavirus Relief Fund.

Assistance to Households, Small Businesses, and Nonprofits provide avenues for direct or indirect government investment to rebuild economic situations to recovery from the impact of the pandemic, so long as demonstrated economic impacts can be established.

Premium Pay provides the opportunity for governments to subsidize frontline and directly exposed workers' pay to reward these workers for the health risks taken in the pandemic period. This is available for public and private sector employees who did not have the ability to perform their employment through telework.

Revenue Replacement will be further explained in the paragraphs below.

Investments in Certain Capital Projects, water, sewer, certain types of stormwater, and broadband, contained very specific instructions and limitations on the types of projects allowed. This includes water quality, as the emphasis of the federal government was on ensuring that people have safe drinking water and operational sanitation facilities and direct to the consumer Internet infrastructure, such that individuals could perform all their work or school functions from their home in an emergency situation.

One of the eligible uses established in the *American Rescue Plan Act* was "revenue loss." It is important to note that revenue loss did not only consist of revenues that were actually lost. Instead, revenue loss was a point-in-time comparison between actual revenues collected in FY 2018-19 (the final full fiscal year prior to the pandemic), modified by a growth factor, and the revenues collected during calendar year 2020. Thus, in essence, the FY 2018-19 numbers were artificially increased, then the 2020 revenue was subtracted from this higher hypothetical FY 2018-19 number. The difference after that subtraction is the amount of "revenue loss." Put another way, the revenue loss equaled the amount of revenue that the City *may* have collected had the Coronavirus never emerged and the pandemic not occurred.

The federal government then allowed local governments to use this "revenue loss" amount for the provision of government services under the working theory that the local government would have been able to pay for these services had they had the revenue in place to do so. The amount of revenue loss demonstrated thus unlocks the revenue replacement category, the most flexible to a wider range of governmental activities, for use in allocations. However, the City can only use an amount up to the revenue loss calculation and no more for expenses in this category.

Due to a growth factor that equaled almost 6% (4.1% federally determined base X 18 months / 12 months for the time lag between July 2019 and December 2020), the calculation enabled considerable "revenue loss" for the City. Even though Virginia Beach's revenues went up over the time of the pandemic, the revenues theoretically could have gone up more if not for the pandemic.

Based on a calculator tool produced by the Government Finance Officer's Association, Virginia Beach's "revenue replacement" is calculated to be \$108 million. Accordingly, the City has up to \$108 million of the \$136.4 million total federal amount that can be allocated using the most flexible category; however, there is no requirement that the City use any revenue replacement amount in its allocations if other needs exist.

Even though the "revenue replacement" category is flexible, it is not a blank check. Certain items were directly prohibited, such as the payment of debt service or the replenishment of fund balance reserves. One other restriction is that only capital project building or maintenance is allowed, or an operating government service is to be provided. If none of these aspects are met, the category cannot be used. Citizens must receive a tangible benefit from a proposal funded through revenue replacement.

The City Manager's Recommended ARPA Budget was delivered to the City Council on September 14, 2021. On September 21 and 28, 2021, the City Council received additional briefings on topics contained within the Recommended ARPA Budget. Because the amount of funds exceeds 1% of the City's annual budget, a public hearing was held during the City Council's October 5, 2021 Formal Session.

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.

Uses of Funds

In order to ensure that a wide range of options were available during the decision-making process, the City established a budget process. In this section, the City's process will be detailed, which will give the United States Treasury and the general public a sense of how the City has opted to acquire the necessary information in order to make decisions on where to distribute the funds.

After receiving the charge to develop a spend plan from the City Council, individual City departments or other selected partners were identified based upon the areas of interest identified by the City Council. The table below shows the relationship between areas and the departments. Please note that other entities also submitted proposals over the course of the budget process. The purpose of delegating proposals to departments was to ensure that subject matter experts in each individual field used their knowledge of City conditions to design programs that addressed needs yet were feasible and likely to be able to be implemented within the timeframe set forth by the American Rescue Plan Act and The Interim Final Rule.

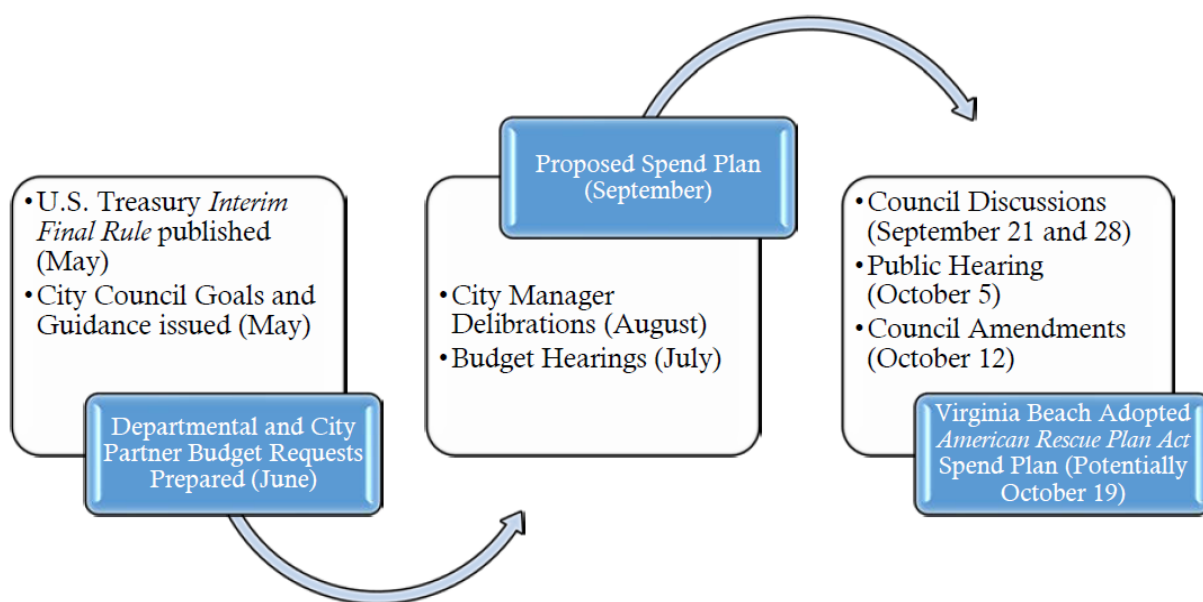
| | |
|---|---|
| Stormwater | Public Works, Stormwater CIP Section |
| City Facilities and Asset Backlog Repair | Public Works, Buildings CIP Section; Parks and Recreation; Information Technology |
| Broadband | Information Technology |
| Behavioral and Mental Health | Human Services; Public Health |
| Economic Support and Assistance | Economic Development; the United Way; the Food Bank of Southeastern Virginia; Resort Management Office; Convention and Visitor's Bureau; Economic Development |
| Affordable Housing | Housing and Neighborhood Preservation |

These departments were requested to develop and submit proposals for the consideration of the City Manager and the Management and Leadership Team. These proposals were developed throughout June 2021 but were subject to revision and enhancements in the months since. At times, these departments solicited assistance from third parties; this was especially true for the

Department of Housing and Neighborhood Preservation, which solicited proposals from a range of its partner organizations. Additionally, other entities also reached out to the City or were referred by members of Council or other interested advocates. When this occurred, City staff extended these groups a copy of the proposal template to capture such group's requests. Throughout the process, City staff willingly engaged in dialogue with all entities that solicited funds, including answering questions about the federal regulations; about the City's process; and about how a department or group's ideas fit under the American Rescue Plan Act, and The Interim Final Rule.

In July 2021, City staff from the Department of Budget and Management Services reviewed all applications for their content and technical compliance and created packets for each set of proposals for the Management and Leadership Team. Additionally, throughout the month, each individual department had a "budget hearing" with the City Manager and the Management and Leadership Team. The hearings were time that was earmarked for the department and groups to present their proposals in further detail, to answer questions that may have arisen from the Management and Leadership Team, and to discuss "why" the request was important and "who" may be served should the request be funded.

Throughout August, the Management and Leadership Team then held a series of meetings internally. The purpose of these meetings was to deliberate on the ideas heard, to advance proposals for further consideration, to request more information or follow-up with individual departments or groups and to ultimately make decisions for how funds are to be assigned to each category. A graphic that outlines the overall City of Virginia Beach American Rescue Plan Act budget process is displayed below.



Below is a summary table of the City Manager Recommended Budget by City Council Category:

| Council Category | Total Dollar Amount | Percent of ARPA Funds |
|--|----------------------------|------------------------------|
| Stormwater | \$44,880,000 | 32.90% |
| Economic Support and Assistance | \$30,658,800 | 22.47% |
| City Facilities and Asset Backlog Repair | \$39,683,098 | 29.09% |
| Broadband | \$7,000,000 | 5.13% |
| Behavioral and Mental Health | \$2,299,000 | 1.69% |
| Affordable Housing | \$6,814,200 | 4.99% |
| Total Allocated | \$131,335,098 | 96.27% |
| Premium Pay | \$ 5,094,605.00 | 3.73% |
| Total ARPA | \$136,429,703 | 100.00% |

A summary table of the City Manager Recommended Budget by Federal category yields the following distribution:

| U.S. Treasury Category | Total Dollar Amount | Percent of ARPA Funds |
|---|----------------------------|------------------------------|
| Public Health | \$ 12,973,000.00 | 9.51% |
| Negative Economic Impacts | \$ 36,395,000.00 | 26.68% |
| Premium Pay | \$ 5,094,605.00 | 3.73% |
| Revenue Replacement | \$ 53,667,098.00 | 39.34% |
| Water, Sewer and Broadband Infrastructure | \$ 28,300,000.00 | 20.74% |
| Total ARPA | \$136,429,703 | 100.00% |

Council was asked to appropriate the entire amount upfront within FY 2021-22. This will ensure that no project falls short of the federal guidelines due to resources being unavailable to execute contracts. Any necessary revisions to the City's American Rescue Plan Act allocations will be made through an addendum to the City's Operating Budget each May. This will allow for an ongoing review of funded projects and the ability to reallocate funds if certain projects are unable to be performed to the level anticipated in the fall of 2021, if certain projects cost more or less than amounts forecasted in the fall of 2021, or if subsequent federal legislative or interpretative action alters the allowable use of these funds. Lastly, for any recommended projects related to a current CIP project, a new "ARPA" version of the project will be created to ensure that appropriations and project progress may be accounted for and tracked in a clear fashion.

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 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 Interim 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.

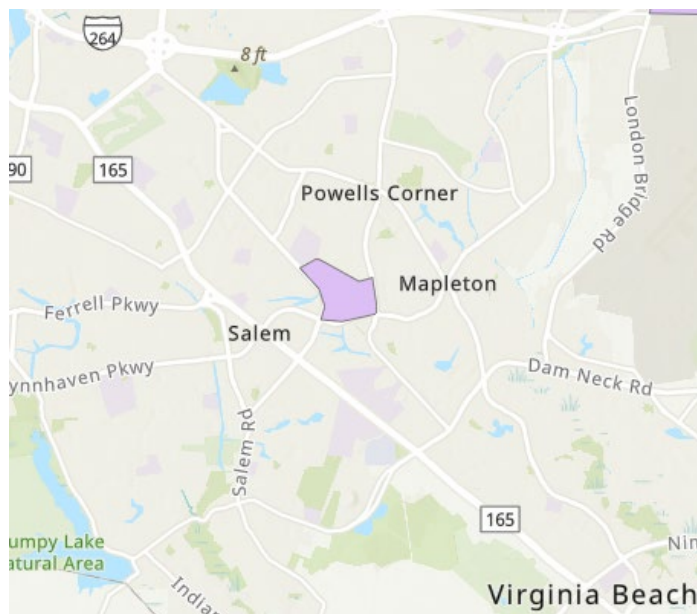
It was the intent of the federal government for programs or services to be provided directly to communities that were in need prior to the pandemic. It was determined by the federal government that such communities were particularly vulnerable to the pandemic as well as its economic impacts. People and entities in this position may need greater levels of direct assistance, not only for recovery, but to allow for long-term investment that might serve to enable future conditions to exceed those communities' health and economic status in January 2020.

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. They are shown in purple on the maps that follow:



Census Tracts near Oceana Air Force Base and inclusive of the Seatack Neighborhood



Census Tract near the Green Run Community

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 Proposed Spend Plan is released, 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.

Labor Practices

The City will include its normal labor standards in any requests for proposals or contractual biddings that emanate from appropriations of American Rescue Plan Act funds.

Use of Evidence

In each individual budget proposal, the City Manager requested that submitter's provide justification for the proposal as well as for how the proposal advances the eligible federal use identified by the department. Whenever possible, the City encouraged and emphasized the need for qualitative or quantification of programmatic details.

Once projects are adopted by the City Council, it is the intent of the City Manager to detail performance reporting requirements to each specific recipient, including a demonstration of items requested by the United States Treasury for each category for which the project is located. Last year, as mentioned in a prior section, the City launched VBRelief with local non-profit partners. In the establishment of that program, the City arranged for frequent reporting periods, both in written and oral format, as well as insisted that metrics be reported regarding the users of the programs and the purposes for which assistance was rendered.

For example, when it came to workforce development, the following items in the table below were tracked:

| | Nov (11/13-30) | Dec (11/13-12/29) |
|---|---------------------------|----------------------|
| Community Context (All Applicants) | | |
| % <u>of</u> applicants employed (full-time) | 26.9% | 27.5% |
| % <u>of</u> applicants employed (part-time) | 25.0% | 23.9% |
| % <u>of</u> applicants who are unemployed | 48.1% | 48.6% |
| Assistance Requests: Workforce Development | | |
| Number requesting employment assistance | 239 | 44 |
| # <u>interested</u> in education/training | 156 | 31 |
| % <u>do</u> not have reliable transportation | 17.6% | 13.4% |
| | | |
| | December (11/13-12/29) | |
| Individuals enrolling in workforce training | 41 | |
| Credentials in Progress (by sector) | | |
| Healthcare | 22 | |
| Information Technology | 8 | |
| Logistic | 4 | |
| Miscellaneous | 7 | |

The City will be able to develop similar tools for evidence and evaluation with federal funds as occurred with local funds.

Performance Report

Although projects have been approved by the City Council of the City of Virginia Beach, we have no information to report at this time on key performance indicators. The next two tables show the expenditures year-to-date on the project appropriations as of June 30, 2022. You will note that less than 18% of the total appropriation (\$136,429,703) has been spent. In the coming months, the City will be meeting with the grant recipients as well as the CIP project managers to review and discuss their key performance indicators for their projects.

| Project Name | Project Identification Number | | Project Expenditure Category Group | Project Expenditure Category | Total ARPA Funding Obligations | Current Period Expenditures YTD as of 6/30/2022 | Completion Status |
|--|-------------------------------|-------------|------------------------------------|--|--------------------------------|---|------------------------|
| Enhanced Neighborhood Rehabilitation - ARPA | 100585 | CPI Project | 6-Revenue Replacement | 61-Provision of Government Services | \$ 23,580,000.00 | \$ 876,760.35 | Completed less than 50 |
| LAKE MANAGEMENT - ARPA | 100586 | CPI Project | 5-Infrastructure | 518-Water and Sewer Other | \$ 21,300,000.00 | \$ 146,962.42 | Completed less than 50 |
| PARKS CAPITAL INFRASTRUCTURE REPLACEMENT - ARPA | 100587 | CPI Project | 6-Revenue Replacement | 61-Provision of Government Services | \$ 15,200,000.00 | \$ 664,164.88 | Completed less than 50 |
| RECREATION CENTERS HVAC REPLACEMENT/REPAIR - ARPA | 100588 | CPI Project | 1-Public Health | 14-Prevention in Congregate Settings Nursing Homes Prisons/Jails Dense Work Sites Schools Child care facilities etc | \$ 3,650,000.00 | \$ - | Not Started |
| CENTRAL UTILITY PLANT ENHANCEMENTS - ARPA | 100589 | CPI Project | 1-Public Health | 14-Prevention in Congregate Settings Nursing Homes Prisons/Jails Dense Work Sites Schools Child care facilities etc | \$ 6,100,000.00 | \$ - | Not Started |
| COURTS BUILDING DIRECT DIGITAL CONTROL - ARPA | 100590 | CPI Project | 1-Public Health | 14-Prevention in Congregate Settings Nursing Homes Prisons/Jails Dense Work Sites Schools Child care facilities etc | \$ 2,070,000.00 | \$ - | Not Started |
| PARKS AND REC CONSTRUCTION YARD RELOCATION - ARPA | 100591 | CPI Project | 6-Revenue Replacement | 61-Provision of Government Services | \$ 9,420,098.00 | \$ 143,465.70 | Completed less than 50 |
| TELEHEALTH CASE MANAGEMENT ARPAA | 100592 | CPI Project | 6-Revenue Replacement | 61-Provision of Government Services | \$ 2,224,000.00 | \$ 319,240.80 | Completed less than 50 |
| SOUTHSIDE NETWORK AUTHORITY REGIONAL BROADBAND RING - ARPA | 100593 | CPI Project | 5-Infrastructure | 519-Broadband Last Mile projects | \$ 7,000,000.00 | \$ 5,000,000.00 | Not Started |
| LIBRARY MEETING ROOMS TECHNOLOGY | 100594 | CPI Project | 6-Revenue Replacement | 61-Provision of Government Services | \$ 743,000.00 | \$ - | Not Started |
| LITTLE ISLAND PARKING LOT IMPROVEMENT ARPA | 100607 | CPI Project | 6-Revenue Replacement | 61-Provision of Government Services | \$ 2,000,000.00 | \$ - | Not Started |
| TOTAL CIP Projects | | | | | \$ 93,287,098.00 | \$ 7,150,594.15 | |

| Project Name | Project Identification Number | | Project Expenditure Category Group | Project Expenditure Category | Total ARPA Funding Obligations | Current Period Expenditures YTD as of 6/30/2022 | Completion Status |
|---|-------------------------------|-------------|------------------------------------|--|--------------------------------|---|-------------------|
| United Way of South Hampton Roads - Grant for VBthrive | G1000 | Grant Award | 2-Negative Economic Impacts | 234-Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted | \$ 15,000,000.00 | \$ 1,296,212.50 | |
| United Way of South Hampton Roads - Grant for Business Relief | G2000 | Grant Award | 2-Negative Economic Impacts | 235-Aid to Tourism Travel or Hospitality | \$ 5,000,000.00 | \$ 5,000,000.00 | |
| United Way of South Hampton Roads - Grant for Business Relief | G3000 | Grant Award | 2-Negative Economic Impacts | 236-Aid to Other Impacted Industries | \$ 5,000,000.00 | \$ 5,000,000.00 | |
| Foodbank of Southeastern Virginia Inc - Grant | G4000 | Grant Award | 2-Negative Economic Impacts | 21-Household Assistance Food Programs | \$ 5,000,000.00 | \$ 635,480.85 | |
| Special Event Grants | G5000 | Grant Award | 2-Negative Economic Impacts | 236-Aid to Other Impacted Industries | \$ 300,000.00 | \$ - | Not Started |
| Virginia Beach Community Development Corporation Grant for Scarborough Square | G6000 | Grant Award | 1-Public Health | 114-Other Public Health Services | \$ 480,000.00 | \$ - | Not Started |
| Virginia Beach Community Development Corporation Grant for Westneck Village | G7000 | Grant Award | 1-Public Health | 114-Other Public Health Services | \$ 348,000.00 | \$ - | Not Started |
| The Samaritan House Inc Grant | G8000 | Grant Award | 2-Negative Economic Impacts | 234-Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted | \$ 750,000.00 | \$ - | Not Started |
| Mother Seton House Inc Grant | G9000 | Grant Award | 2-Negative Economic Impacts | 234-Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted | \$ 1,000,000.00 | \$ 950,000.00 | |
| Emergency Housing Voucher Grant | G10000 | Grant Award | 2-Negative Economic Impacts | 22-Household Assistance Rent Mortgage and Utility Aid | \$ 3,736,200.00 | \$ - | Not Started |
| Virginia Beach Psychiatric Center | G11000 | Grant Award | 2-Negative Economic Impacts | 234-Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted | \$ 108,800.00 | \$ - | Not Started |
| Volunteer Rescue Squads located in City | G12000 | Grant Award | 1-Public Health | 16-Medical Expenses including Alternative Care Facilities | \$ 250,000.00 | \$ - | Not Started |
| City Workforce | G13000 | Grant Award | 4-Premium Pay | 41-Public Sector Employees | \$ 5,094,605.00 | \$ 5,094,605.00 | Completed |
| Judeo-Christian Outreach Center JCOC | G14000 | Grant Award | 2-Negative Economic Impacts | 234-Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted | \$ 500,000.00 | \$ - | Not Started |
| Health Care Services of Hampton Roads Inc | G15000 | Grant Award | 1-Public Health | 112-Mental Health Services | \$ 75,000.00 | \$ - | Not Started |
| Child Care Pilot Program | G16000 | Grant Award | 6-Revenue Replacement | 61-Provision of Government Services | \$ 500,000.00 | \$ - | Not Started |
| TOTAL GRANTS | | | | | \$ 43,142,605.00 | \$ 17,976,298.35 | |
| TOTAL ARPA FUNDING | | | | | \$ 136,429,703.00 | \$ 25,126,892.50 | |

PROJECT INVENTORY

Stormwater

The City's Stormwater CIP Section is more comprehensive than how stormwater is defined by the federal government for the purposes of these funds. While the City's Stormwater section involves projects for flood protection, water quality, and operations, the federal government tied all stormwater eligibility to water quality. To be eligible under the Water & Sewer section of the American Rescue Plan Act, a stormwater project must be eligible under the provisions of The Water Quality Act of 1987, as amended (33 United States Code §1383) and should also adhere to the provisions in the Code of Virginia under Title 62.1, specifically Chapter 22, Virginia Water Facilities Revolving Fund.

Thus, the focus of eligible projects from the federal and Commonwealth perspective is on stormwater runoff control. This leaves out the City's coastal and tidal flooding projects; accordingly, they were not substantially considered for funding. Moreover, given the timeframe involved in the need to design, develop, and close-out projects, it was determined that the focus of any City Stormwater CIP allocations from the American Rescue Plan Act should be on maintenance rather than construction. Therefore, it is recommended that the City allocate additional funding for two maintenance projects within the CIP.

100585 - Enhanced Neighborhood Rehabilitation – ARPA

Funding: \$23,580,000

Federal Category: 6.0 – Revenue Replacement

6.1-Provision of Government Services

First, \$23.58 million is included to establish a CIP project that will enhance the existing operations of CIP Project 100515, "Enhanced Neighborhood Rehabilitation – Phase I." The current CIP project, which provides critical neighborhood infrastructure repairs and minor system improvements, is programmed to receive an average of about \$1.2 million annually in the currently adopted CIP. This funding level is associated with a ninety-five-year cycle for neighborhood health and safety issues and as such has a future funding of over \$42 million in this year's adopted CIP. With the infusion of federal resources, the cycle will be advanced by five years and sixteen additional neighborhoods could be addressed in the coming years.

The table below showcases the neighborhoods that could receive funding through this project. *This table is meant to be illustrative and it should not be interpreted that each neighborhood listed below will be included in the scope of work under this proposal.*

| Neighborhood | Timeframe |
|-------------------|-----------|
| Sandbridge | FY-23 |
| Birdneck Point | FY-23 |
| Lynnhaven Colony | FY-23 |
| Greatneck Estates | FY-23 |
| Bay Colony | FY-24 |
| Redwing | FY-24 |
| Upton Estates | FY-24 |
| Seatack | FY-24 |
| Salem Villages | FY-25 |
| Rock Creek | FY-25 |
| Redmill Farm | FY-25 |
| Fox Fire | FY-25 |
| Three Oaks | FY-26 |
| Southgate | FY-26 |
| Hillcrest Farms | FY-26 |
| Birchwood Gardens | FY-26 |

*Since this project does not directly impact water quality, it is to be funded as a pay-go for CIP maintained projects.

100586 - Lake Management – ARPA

Funding: \$21,300,000

Federal Category: Capital Projects – 5.0 Infrastructure

5.18 - Water and Sewer Other

Second, \$21.3 million is included to establish a CIP project that will enhance the existing operations of CIP Project 100232, “Lake Management II.” This project provides numerous upgrades, including dredging and dam repair, for the City’s 700 lakes. To support these activities, the current CIP project is programmed to receive between \$3.3 million and \$4.9 million annually in the adopted CIP. This funding level is associated with a ninety-five- year cycle. With the infusion of federal resources, the cycle will be advanced by five years from the additional lakes addressed in the coming years.

The table below showcases the neighborhoods that could receive funding through this project. *This table is meant to be illustrative and it should not be interpreted that each neighborhood listed below will be included in the scope of work under this proposal.*

| Lake | Timeframe |
|--------------------------------|-----------|
| SABRE STREET EXTENDED #1 | FY-23 |
| INDIAN LAKES #2 | FY-23 |
| TAYLOR FARMS COMMERCE PK LOT12 | FY-23 |
| HOLLY (LAKE) | FY-23 |
| LYNNHAVEN MALL #3 | FY-23 |
| SAWYERS MEADOWS-SUBDIVISION | FY-24 |
| LAGOMAR LAKE #3 | FY-24 |
| LYNNHAVEN MALL #1 | FY-24 |
| CHANDLER CREEK ROAD CANAL | FY-24 |
| KEMPVILLE GREENS #2 | FY-24 |
| SHORELINE LAKE #1 | FY-24 |
| | |

Economic Support and Assistance for Families, Households, Small Business, Non-Profits, and Impacted Industries

Since fall 2020, the City of Virginia Beach has worked in close partnership with the United Way of South Hampton Roads, the Foodbank of Southeastern Virginia and the Eastern Shore, the Hampton Roads Workforce Council, and Local Initiatives Support Corporation (LISC) Hampton Roads to provide assistance to people, entities, and businesses in need in our community through *VBRelief*. Despite the efforts and hard work put in by all groups thus far, needs persist throughout Virginia Beach.

For instance, as recently as June 2021, over \$1.1 million in financial assistance was distributed for items such as housing and utilities assistance and over 370,000 meals were provided in Virginia Beach. The availability of federal funds provides the possibility for the continuation of *VBRelief* while also allowing for a programmatic transformation from an immediate short-term service provision to an approach that takes a longer-term frame of reference. The change in outlook will result in programs that transition from stabilization amidst economic and health turmoil to a reimagined future full of health and prosperity for program participants. Thus, *VBRelief* will progress into *VBthrive*. Overall, multiple allocations will accomplish City Council's goals in this area.

G1000 - United Way - Individuals and Households

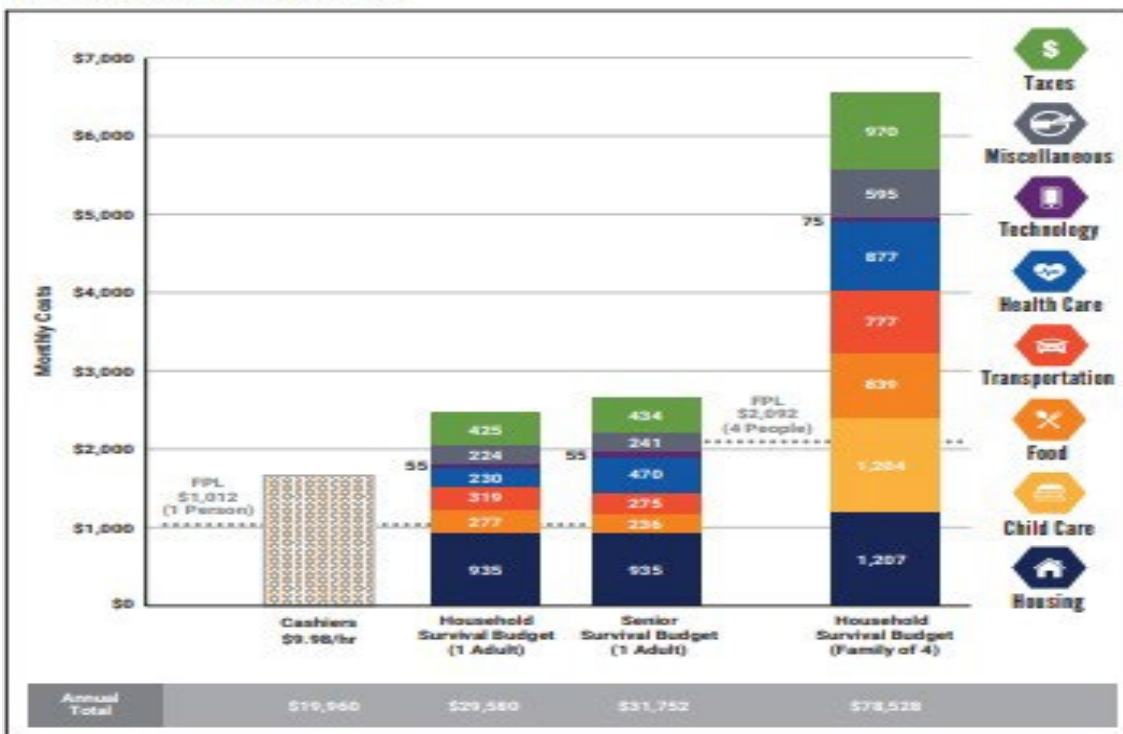
Funding: \$15,000,000

Federal Category: 2.0 - Negative Economic Impacts

2.34 - Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted

The United Way has identified 50,000 households in Virginia Beach that fall under Asset Limited, Income Constrained, Employed (ALICE) thresholds. ALICE households are those that earn more than the federal poverty level, but less than a computed basic cost of living for a state. According to the United Way's *Alice in Virginia: A Financial Hardship Study: 2020 Virginia Report* the cost of living for a single adult on average in Virginia was \$29,580; for a senior single adult \$31,752; and for a household with two adults and two children, it was \$78,528.

Budget Comparison, Virginia, 2018



For Virginia Beach, the ALICE threshold for those under 65 was deemed to be \$60,000 or less; for 65 and older, it was \$50,000. The purpose of *VBthrive* will be to offer dedicated outreach services to this community. Upon referral into the program, ALICE households will be assessed for their needs and assigned to one-on-one case managers. Programs will come in two forms, short-term and long-term. In the short-term, individuals who are less interested in intensive, lengthy case management, will be provided with achievement incentives for the completion of foundational work, such as financial

training. For those willing to commit to the long-term program, individuals will receive personalized actions plans based on a United Way program known as “The Bridge to Self-Sufficiency” which seeks to promote individuals along levels of personal and professional security such that participating individuals feel confident in their ability to satisfy their lifestyle needs. When that occurs, individuals will then be able to promote and contribute to society without having to worry about if they will be sacrificing their basic needs.

As part of “The Bridge to Self-Sufficiency,” individuals will be linked to services with partner organizations. If program participants require further educational opportunities, job training, or career advancement, the Hampton Roads Workforce Council will help coordinate enrollment, recommend programs of study, and identify potential employers. The Hampton Roads Housing Consortium will help subsidize housing costs so that participants will not have to worry about how they can afford their living situations while attempting to pursue those new opportunities and do not feel as if they have to pass up further education or skill building because it is imperative that they work an extra shift to pay the rent or their mortgage. Thus, housing support will serve as an inducement to great program involvement. Lastly, additional partners will provide wrap around services such as childcare or mental health, as needed.

In total, the United Way estimates that over 4,000 unique households can be served by the entire program over the three-year period and the majority of these households will be served by more than one program.

G2000 - United Way of South Hampton Roads - Grant for Business Relief

Funding: \$5,000,000

Federal Category: 2.0 - Negative Economic Impacts

2.35 - Aid to Tourism Travel or Hospitality

G3000 - United Way of South Hampton Roads - Grant for Business Relief

Funding: \$5,000,000

Federal Category: 2.0 - Negative Economic Impacts

2.36 - Aid to Other Impacted Industries

The United Way will also, in partnership with LISC, lead new rounds of business and non-profit support. Through the pandemic, numerous programs have been established or administered at the federal (several rounds of Paycheck Protection Program, Restaurant Revitalization, Shuttered Venues, Economic Injury Disaster Loans), Commonwealth (ReBuild VA!, among others), and local levels (General Fund support, EDIP, and CARES Act Coronavirus Relief Fund small business grants through the Department of Economic Development, LISC through *VBRelief* and recently hiring bonuses through the

Hampton Roads Workforce Council). Yet, some businesses have not had the opportunities to participate in some of the programs, including, at times, being stuck in queues as funds ran out. In other cases, the prior programs helped briefly, but continued economic loss resulted in the need for further assistance. Therefore, the United Way will administer two new relief programs. First, \$8.5 million will be directed for overall business relief for businesses that can demonstrate pandemic impacts. It is recommended that the City work with the United Way to establish the specific framework and program parameters; however, this relief will be used for similar costs as prior programs, items such as: payroll support, mortgage and rent costs, pandemic expenses, and costs to reopen businesses while adhering to the latest U.S. Department of Labor; OSHA; and Virginia Department of Labor and Industry standards. These funds will be open to businesses throughout Virginia Beach and will emphasize those industries that suffered significant job losses. Secondly, \$500,000 will be put into a new round of nonprofit support, especially should any new event restrictions or cancellations continue to cause hardship for non-profit organizations, or if services they provide continue to be oversubscribed.

Additionally, the United Way will sponsor a \$1.5 million fund exclusively for business investment in SWaM businesses. This fund will prioritize those businesses that lack access to capital resources and institutions and will especially focus on those businesses located in Qualified Census Tracts and other neighborhoods of low wealth or high poverty. Investments from this fund can include financing as well as business planning services, technical assistance, or other business startup or expansion costs.

G4000 - Foodbank of Southeastern Virginia and the Eastern Shore

Funding: \$5,000,000

Federal Category: 2.0 - Negative Economic Impacts

2.1-Household Assistance Food Programs

As the pandemic continues, many service providers have devised new methods of reaching those in need. 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. While it was possible to assign Human Services staff to support this operation in the middle of an emergency situation, Human Services does not have the resources to support the endeavor on an ongoing basis while also providing adequate personnel towards the many other important subject areas for which the Department must manage. In total, it is expected that 70% of the money to go to the Foodbank will be for food, 15% will be for staff positions or contracted workers, and 15% for indirect administrative costs, marketing, supplies, travel, and other related programmatic costs.

G5000 - Special Event Grants

Funding: \$300,000

Federal Category: 2.0 - Negative Economic Impacts

2.36-Aid to Other Impacted Industries

Special events and festivals are drivers of tourism, economic spending, and revenue generation in the City. Equally as important, these events and festivals provide Virginia Beach with a distinctive atmosphere and an opportunity for people to enjoy living in or visiting the City. Over the past eighteen months, many events and festivals have been delayed or canceled, some numerous times. To assist this impacted industry and ensure that the event and festival operators are able to endure and safely reopen and return either in the fall of 2021 or in 2022, it is recommended that \$300,000 be set aside for a to be developed direct grant opportunity. Access to this program would not be tied to direct prior City support for the event or festival.

G11000 - Virginia Beach Psychiatric Center

Funding: \$ 108,800

Federal Category: 2.0 - Negative Economic Impacts

2.34 - Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted

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

G12000 - Volunteer Rescue Squads located in City

Funding: \$ 250,000

Federal Category: 1.0 - Public Health

1.6 - Medical Expenses including Alternative Care Facilities

This grant will provide a pool of funding that the Virginia Beach volunteer rescue squads can access to pay for the costs of pandemic emergency medical response expenses including transportation. This pool can reimburse expenses incurred after March 3, 2021 and can be accessed for future pandemic expenses through the American Rescue Plan Acts timeframe.

City Facility and Asset Repair Backlog

The pandemic exposed much about American life, particularly with respect to people's daily lives and habits. Among the areas that did not receive enough attention prior to the pandemic was the importance of ventilation and modernized HVAC systems.

Another was to reinforce the desire of Americans to use recreational and fitness spaces, both outside and indoors. In fact, both aspects are recognized by the United States Department of the Treasury in the text either in the *Interim Final Rule* or in subsequently published Frequently Asked Questions.

Accordingly, it is recommended that the City allocate funds to multiple repair projects in the City. These projects will make improvements within heavily trafficked buildings and facilities. Without an allocation from the *American Rescue Plan Act*, the projects included in these recommendations would remain unfunded, but known backlogs.

100587 - Neighborhood Parks Maintenance – ARPA

Funding: \$15,200,000

Federal Category: 6.0 - Revenue Replacement

6.1-Provision of Government Services

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.

Secondly, the project will address several immediate sub-projects that have been uncompleted to date. These include:

- Mount Trashmore Ditch and Cap Repairs and Multi-use trail repaving
- Munden Point Park Restroom and Shelter replacement
- Bayville Farms Park 2nd Bathroom construction
- Providence Park Multi-Use Trail and parking lot repaving
- Redwing Park parking lot repaving and entrance widening
- Pleasure House Point Trail Water Crossing and Pedestrian Bridge
- Lights at Woodstock Park Skatepark
- Green Run High School Tennis Court replacement

Of those listed above, the Munden Point Park replacement was scheduled, then postponed directly as a result of fiscal uncertainty during the pandemic. The other projects are the highest needed priorities as identified by the Department of Parks & Recreation.

100588 - Recreational Centers HVAC – ARPA

Funding: \$3,650,000

Federal Category: 1.0 - Public Health

1.4 - Prevention in Congregate Settings, Nursing Homes, Prisons, Jails, Dense Work Sites, Schools, Childcare facilities etc.

The City is also concerned about indoor recreational areas. Recreation Center users exert high levels of energy, which propels aerosol transmission, necessitating the need for improved air flow and quality. Similar to outdoor parks, the City contains numerous facilities

that are in need of upgrades and the regular recurring City budget dedicated to this purpose requires projects to be deferred into the future due to limited funding. One of the uses of the *American Rescue Plan Act* allowed and encouraged by the Treasury is for ventilation in public facilities. This is based on numerous scientific recommendations regarding the importance of ventilation in this pandemic as well as for other types of health conditions. As a result, the City Manager recommended that the City invest in eleven HVAC enhancements at the following recreation centers:

- Bayside --- Cooling tower; PoolPak dehumidification; condensers and exhaust fans
- Great Neck --- Cooling tower; PoolPak dehumidification; condensers and exhaust fans
- Bow Creek --- Tandem chiller
- Williams Farm --- Pool heaters
- Seatack --- Rooftop units and PoolPak dehumidification
- Princess Anne --- Cooling tower

The total cost of these projects exceed the annual amount appropriated to the City's ordinary HVAC CIP project. As such, for most of these projects, funds would not be available till the final years of the current CIP to support these improvements.

100589 - Municipal Center Central Utility Plant HVAC – ARPA

Funding: \$6,100,000

Federal Category: 1.0 - Public Health

1.4-Prevention in Congregate Settings, Nursing Homes, Prisons, Jails, Dense Work Sites, Schools, Childcare facilities etc.

Another heavily used set of buildings in the City, both by the public and the City's workforce, is the Municipal Center Campus. 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. These improvements include replacement of 60 ice field tanks; creation of a redundant chilled water pump # 3; replacement of boilers #1 and #2; and replacement of the piping. The total cost of these projects is almost 2.5 times more than the annual amount appropriated to the City's ordinary HVAC CIP project. As such, for most of these projects, funds would not be available till the final year of the current CIP to support these improvements. If approved, it is important to note that these repairs will not install equipment that will kill airborne diseases. Instead, these will improve overall air quality and reduce the City's repair backlog. However, improved air quality still provides health benefits to the City's workforce and visitors.

100590 - Courts Building Direct Digital Control Conversion

Funding: \$2,070,000

Federal Category: 1.0 - Public Health

1.4 - Prevention in Congregate Settings, Nursing Homes, Prisons, Jails, Dense Work Sites, Schools, Childcare facilities etc.

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.

Acquisition of a new system is needed. A new system also requires compatible hard parts in addition to software. As a result, this project will also install actuators, fan coil units, flow stations, transducers, fan relays, thermostats, air handling controllers, sensors, and other aspects throughout the building.

Funding for this project has been programmed for FY 2026-27 in the currently adopted CIP; however, it is more suitable, particularly in light of the pandemic, for the upgrade to occur as soon as possible. As such, I recommend using federal funds to complete the project in this fiscal year, thereby improving our operational status, especially as the Court system reopens and the amount of people that flow through the building is at a higher than normal level. The funding previously programmed can be reallocated to another project during the FY 2022-23 City budget process.

100591 - Parks and Recreation Landscape Yard Replacement (Lynnhaven)

Funding: \$ 9,420,098

Federal Category: 6.0 - Revenue Replacement

6.1 - Provision of Government Services

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. The location of the current facility is shown below.



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.



Additionally, movement of this facility could be a first step towards development of a recreation center in Centerville, should the Council determine the facility as a priority. The site of the current yard could be part of a multi-site relocation plan that could unlock a practical site for a Centerville Recreation Center. Furthermore, the Parks and Recreation Yard can be constructed within the timeframe established by the *American Rescue Plan Act*.

100594 - Library Meeting Rooms Technology – ARPA

Funding: \$ 743,000

Federal Category: 6.0 - Revenue Replacement

6.1 - Provision of Government Services

Recently, there has been a proliferation of remote meetings. When open, the Virginia Beach Public Libraries does not have expected levels of technology capabilities for this new era of communication. Recent library renovations did not include technology upgrades in the public meeting spaces. Given the existing lack of locations for business, organizational, or group spaces to gather within the City, a shortfall identified by the Department of Economic Development, the libraries can be used as a forum for such formal and informal get-togethers, if technology suitable to handle long-distance video conferencing and large screen displays of information exists within the libraries. There are presently 30 meeting spaces at the libraries throughout the City.

In the currently adopted CIP, funds were appropriated for meeting room upgrades at Central Library. Using federal funds will complement this existing CIP by extending the upgrades Citywide. This will ensure that all residents can have access to spaces at their local libraries, which is particularly important for residents of the City who live near remote branches of the Library and therefore would find Central Library to be inconvenient or unsuitable for their gatherings.

A summary of the items to be added per location through this proposal are listed below.

Collaborative: Electronic equipment for video conferencing, remote/live streaming and virtual participation. Location: *Kempsville and Princess Anne*

Public Computer Labs: Location: *Kempsville*

Public Lab Small: Locations: *Great Neck, Ocean Front, Princess Anne*

Pop-up Computer Mobile Classroom: Locations: *Kempsville, Bayside, Central Library* **Standard Meeting space:** Large wall TVs but devices would need to be brought to operate.

Locations: *Bayside, Great Neck, Kempsville, Ocean Front, Princess Anne, Windsor Woods.* **Study/Huddle Room:** Large wall TV but devices would need to be brought to operate. Locations: *Bayside, Great Neck, Oceanfront, Princess Anne.*

100607 - LITTLE ISLAND PARKING LOT IMPROVEMENT AREA

Funding: \$2,000,000

Federal Category: 6.0 - Revenue Replacement

6.1 - Provision of Government Services

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.

G16000 - Child Care Pilot Program

Funding: \$500,000

Federal Category: 6.0 - Revenue Replacement

6.1 - Provision of Government Services

This grant funding was allocated by City Council for a lease, buildout, or any other physical construction, technology, furniture, and fixtures capital expenditures related to the establishment of a Child Care Pilot Program to benefit the City’s workforce.

Broadband

Broadband has become for the 21st Century what electricity was for the 20th Century, an integral tool used to conduct business, school, government operations, family visitations, and numerous other aspects of personal social life. During the pandemic, access to reliable quality Internet was demanded by a wide segment of the American populace. As a result, development of the nation’s broadband infrastructure is a critical component of the *American Rescue Plan Act* and is an equally important portion of the pending *Infrastructure Investment and Jobs Act*. This is reflected in the ARPA allocations made at the Commonwealth level, where the Governor and General Assembly collaborated to set aside \$700 million for universal broadband access, additional sums to reimburse residents who expend their own funds to connect to existing lines, as well as funds to deploy stronger Internet to health departments across the Commonwealth. Given the availability of this level of funding at the Commonwealth level, the City will sponsor applications to compete for these resources in the years to come.

The *Interim Final Rule/Final Rule* focused on accessibility over affordability. This was in part because other sections of the *American Rescue Plan Act* set aside resources of subsidies for the cost of Internet. Nevertheless, this means that broadband investment through the Coronavirus State and Local Fiscal Recovery Funds is focused on physical infrastructure and a prioritization for betterments for unserved and underserved communities, measured by the availability of nearby physical infrastructure. However, the lack of detailed, up-to-date broadband maps, a longstanding debate before the Federal Communications Commission, makes it more difficult to assess areas that truly lack service. Therefore, I recommend that the City pursue a governmental middle mile strategy that will put infrastructure into reach for households throughout the City and that will be accessible for service providers to leverage to help extend direct to the home service to individuals throughout Virginia Beach. To accomplish this, it is recommended that funds are reserved for the regional broadband ring.

100593 - Southside Network Authority

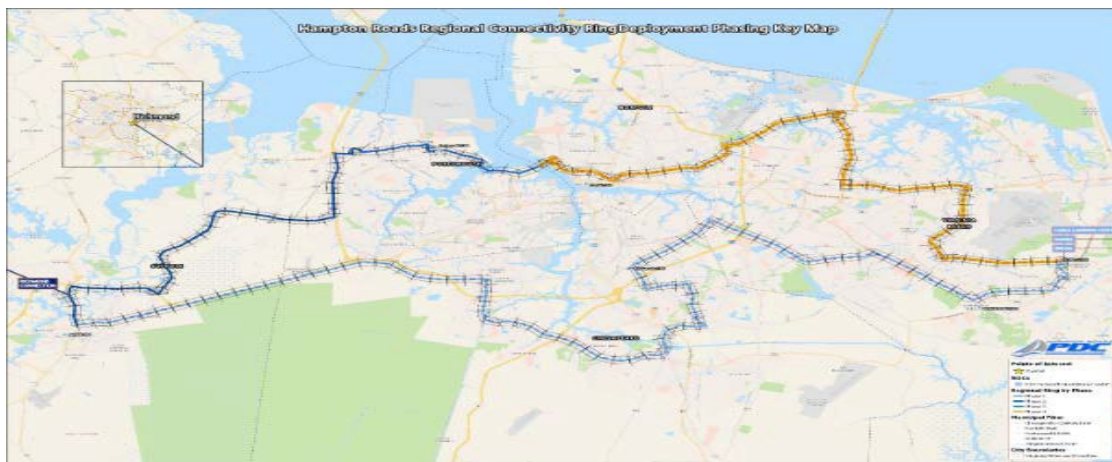
Funding: \$ 7,000,000

Federal Category: 5.0 - Infrastructure

5.19 - Broadband Last Mile projects

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.



Behavioral and Mental Health

The isolation that accompanied stay-at-home and social distancing orders and recommendations in 2020 and 2021 had an impact on the behavioral and mental health of Americans. For those who caught COVID, lingering symptoms and the pain of recovery carry an emotional burden on top of a physical one. Adverse economic circumstances and the delays or cancellations of life milestones also negatively contributed to behavioral and mental health.

At the same time, the pandemic shifted the delivery of many healthcare services throughout the City and the nation. For the first time, sizable amounts of consumers experienced telehealth. In numerous other cases, health professionals brought in-person care to patients at their place of residence, rather than patients and their families having the responsibility for travel to a traditional health care facility in a more central location.

Building upon the trends that occurred in the health professional field, the Department of Human Services has expressed the intent to continue a more flexible method of service delivery throughout the pandemic and beyond the end of the current health crisis.

100592 - Enhanced Telehealth and Case Management

Funding: \$2,224,000

Federal Category: 6.0 - Revenue Replacement

6.1 - Provision of Government Services

To 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.

G15000 - Health Care Services of Hampton Roads Inc

Funding: \$ 75,000

Federal Category: 1.0 - Public Health

1.12 - Mental Health Services

This grant is to provide reimbursement-based assistance to the Health Care Services of Hampton Roads, Inc. to offset increased current year and future pandemic related health expenses for services provided by the organization to the public.

Affordable Housing

In addition to the housing support provided through the allocation to the United Way and Hampton Roads Housing Consortium, it is recommended that the City strive to preserve affordable housing units and make tangible improvements towards ensuring housing access for vulnerable populations with the *American Rescue Plan Act* funds. To support these aims, it is proposed that the City support five projects. Four of the five projects will provide pass-through assistance to community partners.

Virginia Beach Community Development Corporation (VBCDC)

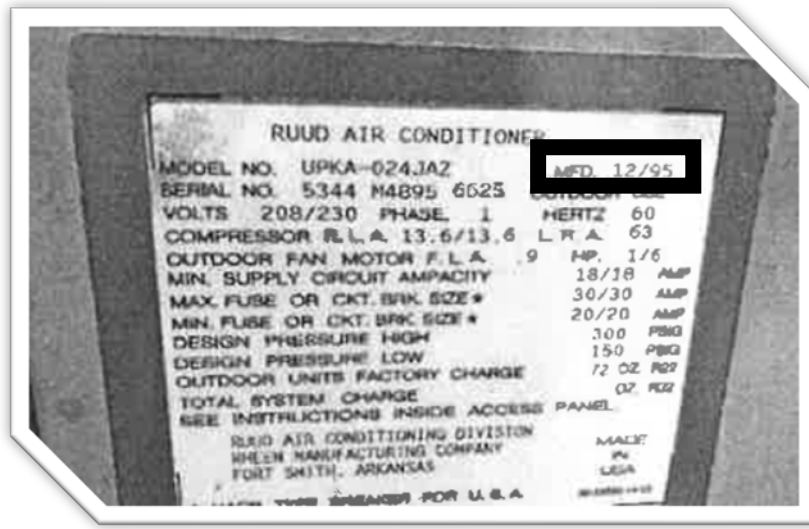
G6000 - Scarborough Square Renovations

Funding: \$480,000

Federal Category: 1.0 - Public Health

1.14 - Other Public Health Services

Investment in VBCDC's Scarborough Square property will maintain sixteen 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 old, such as the air conditioner unit shown below.



G7000 - Westneck Village Renovations

Funding: \$348,000

Federal Category: 1.0 - Public Health

1.14 - Other Public Health Services

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.

G8000 - Samaritan House

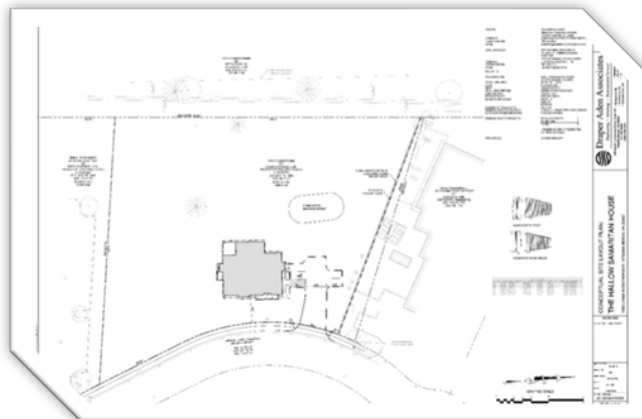
Funding: \$750,000

Federal Category: 2.0 - Negative Economic Impacts

2.34 - Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted

The Hallows

In the past eighteen months, the Hampton Roads region has assisted over 50 trafficked youth. 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.



G9000 - Seton Youth Shelter

Funding: \$1,000,000

Federal Category: 2.0 - Negative Economic Impacts

2.34 - Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately Impacted

Seton House Campus

In the past year, the Seton Youth Shelters has served clients in new ways, all amidst the challenge of having their existing decades long lease for their Boys' House shelter terminated. In addition to sheltering 47 youth in 2019-2020 and 33 from July 1, 2020 through April 30, 2021, Seton also directly assisted over 50 families with basic household survival level necessities to keep families in place and out of communal settings. Moving forward, 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. A rendering of the facility is below.



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. The City contribution, when paired with existing resources, allows Seton to go forward with build out of all three facilities. Construction on the first facility is imminent.

Department of Housing and Neighborhood Preservation

G10000 - Emergency Housing Voucher Expansion

Funding: \$3,736,200

Federal Category: 2.0 - Negative Economic Impacts

2.2 - Household Assistance Rent Mortgage and Utility Aid

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 earlier this summer. However, despite the additional resources, the City still maintains a waiting list for people seeking vouchers. Therefore, to build upon the initial federal investment, I recommend the allocation of the City’s *American Rescue Plan Act* to allow for additional participants in the years to come. This proposal would provide 65 further vouchers for forty-eight months. 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.

G14000 - Judeo-Christian Outreach Center (JCOC)

Funding: \$500,000

Federal Category: 2.0 - Negative Economic Impacts

2.34 - Assistance to Impacted Nonprofit Organizations Impacted or Disproportionately

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 toward the development of 38 affordable housing units; a dining hall and administration buildings.

Premium Pay

ARPA funds may be used to provide premium pay to low- or moderate-income *eligible workers* who performed *essential work* during the COVID-19 public health emergency. Premium pay is intended to compensate essential employees for heightened risk due to COVID-19. It must be entirely additive to an employee's regular rate of wages and other compensation and may not be used to reduce or substitute for an employee's normal earnings.

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

A local government may make a premium payment of up to \$13 per hour for each eligible employee for work performed during the pandemic. The maximum total per-employee payout is \$25,000—this is an overall cap, not a yearly cap. Premium pay may be awarded on an hourly basis, as a lump sum per pay period, as a monthly allotment, as a one-time payment, or according to other similar methods. The only limitation is that the monies must be paid for work already performed.

G13000 - City Workforce

Funding: \$5,094,605

Federal Category: 4.0 - Premium Pay

4.1 - Public Sector Employees

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's *Interim Final Rule*. This one-time premium payment will exclude Council Appointees, Deputy City Managers, Department Directors, Department Heads, and Constitutional Officers.