



- Brief Overview of the General Assembly Special Session II state ARPA disbursements to inform City of Richmond local ARPA disbursements. 5 minutes
- Context of Special Session 2021 and other current events for the January 2022 General Assembly Session: 5 minutes

On Monday, August 2, the General Assembly convened for a Special Session to allocate **Virginia's \$4.3 billion share of the American Rescue Plan** dollars and to elect judges to a now expanded Virginia Court of Appeals. The final budget passed and Governor Northam signed the budget without amendments on August 20, 2021. Please see the approved budget items below, especially to help inform the City of Richmond's local spend ARPA disbursements:

Broadband - Access to high-speed broadband narrows the opportunity gap. Virginia's leaders recognized the need to reach every household and business in Virginia with broadband; and to make access to the internet affordable. The as-passed budget accomplishes this two-pronged goal with approximately **\$800 million dedicated to broadband expansion and affordability. \$8 million through** the Virginia Department of Housing and Community Development (DHCD) for the Line Extension Customer Assistance Program to support the extension of existing broadband networks to low to moderate income residents.

Economic Development/Small Business Support

Rebuild VA (prioritizes hospitality and tourism businesses): **\$250,000,000** to the Department of Small Business and Supplier Diversity. In awarding these funds, priority shall be given to qualifying applications received by the Department on or before June 30, 2021, for which a grant has not been awarded. The Department shall solicit new applications to allocate any balance that remains from this appropriation. In allocating funds to support grants for applications solicited by the agency after June 30, 2021: (1) the Department shall prioritize funding for businesses in the hospitality and tourism industry, that includes, but is not limited to hotel and lodging establishments, restaurants, and entertainment and public amusement venues; and, (2) in awarding these funds to restaurants, funds shall be reserved for restaurants that have not received federal assistance through the Small Business Administration's Restaurant Revitalization Fund or loan forgiveness from the Small Business Administration's Paycheck Protection Program.

Virginia Removal or Rehabilitation of **Derelict Structures Fund (the Industrial Revitalization Fund and the Port Opportunity Fund)** are run through this program): **\$22,500,000 in FY22 and \$22,500,000 in FY23 (as directed for Governor to include in his introduced budget 12/21)**. The Derelict Structures funding runs through the Virginia Department of Housing & Community Development (VHCD) and has been used by many localities to bring property back into productive reuse. The DHCD has not yet developed program application funding guidelines, as they are waiting for final U.S. Treasury ARPA guidelines. However, they have been urged to

think very broadly in terms of applications for these monies --- e.g. public housing redevelopment, residential/affordable housing, as well as “traditional” building redevelopment.

Virginia Main Street Program: **\$4,000,000** to DHCD. The budget language under this item is not precise, just noting that it is to assist "businesses recovering from the COVID-19 pandemic."

Combined Sewer Overflow

\$125,000,000 to the Department of Environmental Quality for grants to the cities of Alexandria, Lynchburg, and **Richmond** to pay a portion of the costs of combined sewer overflow control projects. The City of Alexandria is to receive \$50,000,000; the City of Lynchburg is to receive \$25,000,000; and **the City of Richmond is to receive \$50,000,000. In order to receive these funds, the locality must certify that it is providing a 100 percent match to the funds it will receive pursuant to this paragraph.**

Utility Assistance

\$120,000,000 for utility assistance, to help provide direct assistance to residential utility customers with accounts over 60 days in arrears including the cost to administer the program. Details of the Utility Assistance funding may be found as **Attachment 1**.

Eviction/Landlord Tenants

Through June 30, 2022, no landlord shall terminate a residential tenancy, or take any action to obtain possession of a dwelling unit, for nonpayment of rent, if the eligible tenant has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship during or due, directly or indirectly, to the coronavirus pandemic, except as found in **Attachment 2**.

Education/Ventilation

\$250,000,000 to Direct Aid to Public Education for qualifying ventilation improvement projects in local public schools. Funds shall be allocated to local school divisions based on fiscal year 2022 projected March 31 average daily membership with a minimum allocation of \$200,000 per division. Funds shall be paid to school divisions on a reimbursement basis. **Localities shall provide a match for these funds from any available fund sources equal to 100 percent of the grant amount.** **Details Attachment 3.**

Food Access

\$14,600,000 to the Department of Agriculture and Consumer Services (301) for food assistance, including the expansion of food access and healthcare partnerships, development of a shelf-stable food purchase program, and the purchase of food from local farmers through the Virginia Farm to Virginia Families Food Box Program.

Early Childhood (Care and Education)

Appropriations/Transfers:

IDEA (Individuals with Disabilities Education Act) through Va DoE:

- Preschool: **\$4,931,537** Direct Aid to Public Education

IDEA through Va Department of Behavioral Health & Developmental Services:

- Infants & Toddlers: **\$5,216,946**

Childcare & Development Block Grant (ACF) through Va DoE, Central Operations: **\$305,492,999**

Childcare Stabilization Grants through Va DoE, Central Operations: **\$488,605,381**

Child Care Entitlement to States through Va DoE, Central Operations: **\$13,091,800**

Community-based Child Abuse Prevention (ACF) through Va DSS: **\$6,231,546**

Family Violence Prevention and Services (ACF) through Va DSS: **\$3,004,484**

Child Abuse State Grants (ACF) through Va DSS: **\$2,502,243**

Maternal, Infant and Early Childhood Home Visiting Grant Program (HRSA) through the Va Dept. of Health: **\$449,000**

Policy change re licensed child day center staff to child ratios: The Superintendent of Public Instruction and the Commissioner of Social Services has the authority to alter the staff-to-child ratios and group sizes for licensed day care centers and child day centers that participate in the Child Care Subsidy Program.

Mental Health and Substance Abuse Support

Community-Based Crisis Services (which may include mobile crisis services and crisis receiving facilities): **\$10,000,000** in FY21 and **\$20,000,000** authorization for the FY23-24 introduced budget to DBHDS

Substance Use Disorder - \$5,000,000 to the Department of Health for substance misuse and suicide prevention efforts. \$10,000,000 to the Department of Behavioral Health and Developmental Services to make grants to members of the Virginia Association of Recovery Residences for recovery support services. \$5,000,000 to the Department of Behavioral Health and Developmental Services to expand community-based substance use disorder treatment services.

Marcus Alert: \$1,000,000 in FY21 and \$3,000,000 authorization for the FY23-24 introduced budget to the DCJS. The \$1 million is to the DCJS to provide resources for crisis intervention team training to law-enforcement officers and dispatchers, and one position to provide technical

assistance in support of the mental health awareness response and community understanding services (Marcus) alert system.

Public Health

\$3,750,000 to the Department of Housing and Community Development for **a dedicated lead rehabilitation program to address childhood lead poisoning in residential properties.**

\$30,000,000 to the Department of Health (601) to target core building upgrades at local health departments to mitigate the impact of infrastructure that hinders the agency's ability to reach and serve at-risk communities.

\$20,000,000 to the Department of Health (601) to provide targeted community outreach in difficult to reach communities harmed by COVID-19.

\$1,000,000 to the Department of Social Services (765) for the Virginia Trauma-Informed Community Network (TICN) to provide a community awareness campaign, education, professional development, mini grants, and other initiatives to support existing networks.

Language Translation Capacity - **\$500,000** to the Office of the Governor (121), Office of Equity, Diversity, and Inclusion, for **language access translation planning consulting services.**

Language included that says that the Code of Virginia provisions § 18.2-422 dealing with **masking in public** shall not apply to a person wearing a mask to prevent the spread of COVID-19.

Criminal Justice/Police/Violence Prevention

\$2,500,000 to the Office of the Attorney General for Gun violence reduction projects in partnership with select localities.

\$800,000 to the Department of Criminal Justice Services to provide a one-time grant to the City of Hampton to support an employment program for court-involved youth and adults facing barriers to employment, expand services for those participating in or at risk of participating in gun violence, and provide counseling or mental health services for those exposed to violence.

\$2,500,000 to the Department of Criminal Justice Services to provide **competitive one-time grants to groups providing community-based gun violence reduction or youth and gang violence intervention programming** through initiatives including, but not limited to, those substantially similar to programs such as the Gang Reduction and Youth Development of Los Angeles and Operation Ceasefire of Boston models. In awarding such grants, the Department shall prioritize initiatives in localities experiencing higher than average levels of gun violence and those assessed pursuant to Item 406, Paragraph R of Chapter 1289 of the 2020 Session of the General Assembly.

We regret that the Special Session budget did not address **Aid to Localities with Police Department funding** despite the urgency of local police funding issues.

Elections/Local Registrars

\$3,000,000 to the Department of Elections to support local efforts to expand early voting to include the adoption of Sunday voting.

Attachment 1

Utility Assistance

Budget Language

Investor-Owned Utilities - The State Corporation Commission shall establish an application process to distribute funds directly to utilities for the purpose of efficiently providing direct assistance to customers. Funds shall be awarded proportionally based on total arrearages of residential utility customer accounts over 60 days in arrears as of August 31, 2021. The Director, Department of Planning and Budget shall distribute funds to the State Corporation Commission within 30 days of the passage of this act.

Municipal Utilities - The Director, Department of Planning and Budget in consultation with the State Corporation Commission and the Department of Housing and Community Development shall transfer amounts from this allocation to address the arrearages held by residential customers of utilities outside the jurisdiction of the Commission to the **Department of Housing and Community Development for distribution** to these utilities. Notwithstanding § [2.2-4002](#), Code of Virginia, the provisions contained in this paragraph establishing the utility direct assistance program shall not be subject to the Administrative Process Act.

Upon receipt of any funds provided in this paragraph, utilities shall maintain **separate ARPA COVID-19 Utility Assistance Funds and record direct assistance payments to residential customers on their books** in accordance with applicable accounting standards. Utilities may not direct any funds provided in this paragraph to new deposits, down payments, fees, late fees, interest charges, or penalties.

Utilities may require the customer to attest to the utility or to a third party chosen by the utility that the customer has experienced a financial hardship resulting directly or indirectly from the COVID-19 pandemic or that they have experienced a hardship to pay during the COVID-19 pandemic prior to receiving direct assistance from the utility's ARPA COVID-19 Utility Assistance Fund. While utilities may require attestation of such hardship, it is implied that arrearages accrued over 60 days for customer nonpayment of bills from March 12, 2020, to the effective date of this act, for which federal relief funds shall be used for direct subsidy payments on behalf of customers were incurred as a financial hardship created by the COVID-19 pandemic.

Utilities shall reflect the direct assistance payment on an eligible customer's monthly bill, after the funds are applied to the customer's account. Should the application of any assistance render a customer due a balance necessitating a cash refund payable to the customer, such assistance shall be proportionally reduced as to achieve a zero balance.

For the purposes of this appropriation, utilities include electric companies subject to regulation of the State Corporation Commission, natural gas suppliers subject to the regulation of the Commission, **electric and gas municipal utilities**, and water suppliers and wastewater service providers, subject to the regulation of Commission or constituting a municipal utility.

"Municipal utility" means a utility providing electric, gas, water, or wastewater service that is owned or operated by a city, county, town, authority, or other political subdivision of the Commonwealth. Notwithstanding the provisions of this paragraph, a utility does not include any Phase II utility subject to the regulation of the State Corporation Commission.

The Department of Housing and Community Development shall **survey municipal utilities to determine the amount of unspent utility assistance funds previously provided** under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. [116-136](#)), as well as **the level of outstanding customer arrearages as of August 31, 2021, from March 12, 2020**. The information collected shall include the number and value of accounts that are at least 60 days in arrears disaggregated by residential, business, and industrial users. Utilities not subject to the regulation of the State Corporation Commission shall **submit the required information to the Department in a timely manner. The Department shall submit a report on its findings to the Governor and the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by November 1, 2021.**

The State Corporation Commission shall survey jurisdictional utilities to determine the amount of unspent utility assistance funds previously provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. [116-136](#)), as well as the level of outstanding customer arrearages as of August 31, 2021, from March 12, 2020. The information collected shall include the number and value of accounts that are at least 60 days in arrears disaggregated by residential, business, and industrial users. Utilities subject to the regulation of the State Corporation Commission shall submit the required information to the Commission in a timely manner. The Commission shall submit a report on its findings to the Governor and the Chairs of the House Appropriations Committee and Senate Finance and Appropriations Committee by November 1, 2021.

If it is determined that the funds provided in this paragraph are insufficient to satisfy the aggregate outstanding jurisdictional and municipal utility customer arrearages following the passage of this act, additional funding may be considered during the 2022 General Assembly Session.

Attachment 2

Eviction/Landlord Tenant Budget Language

1. If rent is unpaid when due, or if a payment under the terms of a payment plan is unpaid when due, the landlord shall, pursuant to § [55.1-1202](#), Code of Virginia, serve a written notice on the tenant that informs the tenant of the Virginia Rent Relief Program and provides the website address and statewide telephone number for that program. The written notice shall also provide information on how to reach [2-1-1](#) Virginia to determine whether there are any other available federal, state and local rent relief programs.

2. The written notice shall also inform the tenant that the owner, landlord, or owner's licensed agent shall apply for rental assistance on the tenant's behalf within 14 days of serving the notice on the tenant, unless the tenant pays in full, enters into a payment plan or informs the landlord that they have already applied for rental assistance. The landlord shall apply for rental assistance on behalf of the tenant no later than 14 days after serving the written notice on the tenant, unless they receive the full amount owed by the tenant or confirmation from the tenant that the tenant has applied for rental assistance before the 14th day, or they have entered into a payment plan with the tenant. If the tenant has applied for rental assistance, the landlord shall cooperate with the tenant's application, by providing all information and documentation required to complete the application, including but not limited to the W-9 form and any supporting affidavits. In an initial application, if the landlord or the tenant does not receive written approval from the Virginia Rent Relief Program or any other federal, state, or local rent relief program within forty-five days of when a completed application for assistance is made by the tenant or the landlord, the landlord may proceed to obtain possession of the premise as provided in § [55.1-1251](#). For any subsequent application, if the landlord or tenant does not receive written approval from the Virginia Rent Relief Program or any other federal, state, or local rent relief program within fourteen days of submission of the subsequent completed application, the landlord may proceed to obtain possession of the premises as provided in § [55.1-1251](#). If a tenant who has not paid in full or entered into a payment plan with the landlord within 14 days after the written notice is served refuses to apply for rental assistance and also refuses to cooperate with the landlord in providing information and documentation required to complete the application made by the landlord, or if such tenant is determined ineligible for rental assistance, or there are no longer funds available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. [116-136](#)) and from the American Rescue Plan Act of 2021 (ARPA) (P.L. [117-2](#)) for rental assistance through the Virginia Rent Relief program, the landlord may take action to obtain possession of the tenant's dwelling unit as provided in § [55.1-1251](#), Code of Virginia.

b. If a landlord reports to a consumer reporting agency or debt collector regarding a tenant who is participating in the repayment plan or receiving assistance from a federal, state, or local rent relief program, the landlord shall report the account as "current" in accordance with the Public Law [116-136](#): Coronavirus Aid, Relief, and Economic Security Act.

c. If a tenant is complying with a written payment plan with the landlord or has resolved any non-payment of rent, the landlord cannot take any action to obtain possession of a dwelling unit for non-payment of rent.

d. Nothing in this section relieves either the landlord or the tenant from their obligations to maintain the dwelling as those obligations are set forth in Article 2 and Article 3 of Chapter 12 of Title 55.1.

e. Nothing in this section shall void any judgment for possession validly obtained by a landlord prior to the effective date of this act; however, a landlord shall not initiate, maintain, or advance any legal process to obtain possession of a dwelling unit for non-payment of the rent unless the landlord complies with the provisions of this section.

f. Notwithstanding any other language to the contrary, should the Governor declare a state of emergency pursuant to § [44-146.17](#) of the Code of Virginia in response to a communicable disease of public health threat as defined in § [44-146.16](#) of the Code of Virginia, and if that declaration specifically provides that the eighth enactment of Chapter 552 of the Acts of Assembly Special Session I shall supersede the language set forth in enactment sixteen of this act then this sixteenth enactment shall not be effective so long as such a declared state of emergency remains in effect.

Attachment 3
EDUCATION/VENTILATION
Budget Language

- A school division may elect to accept a grant amount less than its formula allocation. Before receiving any funds, local school divisions must provide a description for each of the projects to be completed with these funds, including estimated costs and date of completion, and certify to the Department of Education no later than November 15, 2021, that these funds will be used to improve ventilation systems in public facilities in accordance with guidelines issued by the U.S. Department of the Treasury for the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds.
- Following certification from a school division that it will not participate in the grant program or elects to accept an amount less than its formula allocation, the Department of Education is authorized to reallocate any program balances based on actual demand.
- No later than December 15, 2021, the Department of Education shall compile the school division certifications and submit a report to the Chairs of the Senate Finance and Appropriations and House Appropriations Committees, the Secretary of Education, the Secretary of Finance, and the Director, Department of Planning and Budget.