



2021 GENERAL ASSEMBLY LEGISLATIVE PROGRAM

Charlottesville * Danville * Hampton * Harrisonburg * Hopewell * Lexington * Lynchburg * Martinsville *
Newport News * Norfolk * Petersburg * Portsmouth * Richmond * Staunton * Williamsburg * Winchester

Annexation Moratorium/Fiscal Stress Statement

As the only Virginia organization dedicated solely to the needs of the Commonwealth's historic core cities, Virginia First Cities members request the Commonwealth fully fund the commitments made to our fiscally stressed cities when the moratorium on annexation was put in place. Virginia First Cities will strongly oppose any change to make the current moratoria process permanent.

Fund Aid to Localities with Police Departments according to statute (§ 9.1-169).

- Request the Governor and the General Assembly **fund HB 599 monies for FY22/23 in an amount of at least \$8.6 million.**

Increase funding for street maintenance.

- **Support increased funding for street maintenance needs for our cities** to ensure an equitable funding for urban areas that have not received adequate funding for on-street parking areas, bike lanes, transit lanes and turning lanes. We need funding to invite diversity with our amenity-filled public spaces, like connecting small businesses in walkable, vibrant streets, along with transit, and cycling.

Unregulated Skill/Gray Machines

The 2020 General Assembly passed legislation that would ban the use of the unregulated/skill “gray machines.” As a COVID-19-related funding measure, at the 2020 Reconvened Session, the Governor requested at the General Assembly keep the skill games legal until July 2021 and that resultant revenues inure to a COVID-19 relief fund and to local governments hosting the machines.

The 2020 Special Session again saw the skill games issue at play, this time to sweep the state revenues going into the COVID-Response Fund to replace the local school division K-12 sales tax loss revenue.

While extraordinary times call for extraordinary measures, the sense of VFC members is that the “gray/skill machines” should be banned post-July 2021. As regards K-12 sales tax replacement revenue, should it be needed, **the Commonwealth should look to means other than gray machines to fully fund city K-12 education.**

Community Wealth Building

Virginia First Cities was the pioneering organization in the Commonwealth pushing for new, holistic approaches to lift individuals out of poverty. As the ultimate economic development issue, ensuring our cities are vibrant and our citizenry are engaged and contributing are all part of a healthy community. To further the community wealth building ideal of breaking down silos to moving folks into career-sustaining occupations, we urge the General Assembly to do the following:

TANF for Employment – This is the VFC incubated innovative grant program designed to breakdown silos to connect persons to career paths and sustainable income by providing wraparound services.

- Maintain funding for the **TANF for Employment Grant Programs** at \$7.5 million (round 1), \$3 million (round 2), and \$1.5 million (round 3) in each FY22 and FY23.
- Connect **budget language** to link the **Network2Work** effort with existing TANF for Employment/Community Wealth Building Grant Program, rounds 1-3, especially to enable **technology upgrades** and for a more seamless delivery of client services. (Ridge Schuyler/Charlottesville)

Affordable Housing

Many would define gentrification as a profit-driven, race, and class change of a historically disinvested neighborhood. “Disinvested” meaning that businesses and governments have abandoned—where there has been little new development or maintenance of existing buildings or institutions. Gentrification occurs where land is cheap and the chance to make a profit is high due to the influx of wealthier wage earners willing to pay higher rents.

Therefore, the issue of affordable housing is quite complicated in many of our VFC member cities. On the one hand, VFC is working hard to promote economic gardening so that there is not disinvestment, for we know that there is so much more community value/wealth in promoting existing businesses and people. On the other hand, many of our cities have legacy public housing communities that are in dire need of replacement. VFC believes that we can foster positive development and redevelopment by supporting a shared neighborhood vision and working with community institutions to ensure a successful revitalization that values culture, health, and positive human development, as well as increased economic activity. Ensuring lasting housing change should, in all cases, be done through re/development without unwanted, forced displacement.

- Provide eligible working citizens **better access to affordable housing and financing** for public housing replacement and public housing infrastructure improvements.
- Support increased funding in the **Virginia Housing Trust Fund**.
- Support an allocated and bifurcated **Virginia housing opportunity tax credit in an amount equal to the federal Low-Income Housing Tax Credit (LIHTC)** in Virginia and a minimum amount of \$20 million of credits annually over a 10-year credit period to enable expanded affordable housing. (Newport News)
- Support **energy efficiency programs and policies** that assist our low-and-moderate income citizens who shoulder a disproportionate utility cost burden. (Charlottesville)

Economic Gardening/Resiliency/Sustainability

Virginia First Cities' Economic Gardening Task Force was charged with finding existing, or creating new, state programs to leverage federal Opportunity Zone and other funding. Over the course of three years, and with an intervening global health pandemic severely affecting every Virginia local government, particularly impacts on our older, core cities, the recommendations of the VFC Economic Gardening Committee are more salient today and into 2021 than ever before. Our cities need every possible catalyst to redevelop and rebuild our cities.

- Increase funding by \$3.5 million in each year for the **Industrial Revitalization Fund**.
- Increase the **Virginia Main Street Program** by \$4 million in each year.
- Increase funds for the **Enterprise Zone Program** to avoid grant proration to the Real Property Investment Tax Credit. **Any effort to eliminate the locations of existing enterprise zones will be vigorously opposed by VFC.**
- Provide \$10 million per year for the **Urban Public Private Partnership Redevelopment Fund**.
- Increase of \$5.5 million each year for the **Brownfields Restoration and Remediation Program** and budget and statute language changes to increase the amount of grant monies available (currently \$50,000/increase to \$100,000) for assessment of residential properties on, adjacent, or in close proximity to former landfill sites where public housing is proposed to be redeveloped.
- Amend the Code of Virginia to allow **all VFC cities** the ability to **transfer blighted properties directly to a land bank entity** created by the locality or an **existing nonprofit** entity designated by the locality to carry out the functions of a **land bank entity** in lieu of sale at public auction for unpaid real estate taxes and other liens held by the locality. Under current statute, only the Cities of Norfolk, Richmond, Hopewell, Newport News, Petersburg, Fredericksburg, Hampton, and Martinsville have the ability to do this.
- **Classification of blighted and derelict properties** Adjust the qualifying criteria for localities that are authorized to treat blighted properties and derelict structures as a separate class of property for local taxation of real property to capture all VFC members. As currently structured, the criteria for qualification in the statute only includes Petersburg and Emporia. (Richmond)
- Support for **Healthy Food Financing** and investments to ensure our cities and citizens have access to thriving, sustainable grocery options and that these small businesses succeed.
- Oppose a decrease or a further extension of the cap on the **Historic Rehabilitation Tax Credit**.
- Support maximum funding for the **Stormwater Local Assistance Fund (SLAF)**.

- Support **flood/resilience risk reduction infrastructure projects** and aid to localities for tidal and street flooding mitigation efforts including grant matching and Shoreline Assistance Fund.
- For many of our urban cities, **broadband coverage and affordability**, particularly in lower-income neighborhoods, is a pervasive issue that has far-reaching implications for K-12 education and lifelong learning. VFC supports a concentrated governmental effort to ensure broadband coverage is both available and affordable to those that are most in need. (Newport News)
- Support policies that help municipalities reduce their **carbon footprint and promote sustainability**. An increasing number of our member cities want to lead on climate change issues and contribute to the Commonwealth's overall climate goals. And, helping lead on creating more opportunities for energy efficiency can be a key tool in helping to drive down energy costs for our most vulnerable citizens. (Charlottesville)

Health and Human Services

- Support the continued the implementation of STEP-VA, the largest behavioral health investment the Commonwealth has ever taken.
- Support adequate funding for our local departments of social services.
- Support the new home visiting program to provide supports to women to improve birth outcomes and maternal health.

Wraparound Services

Job seekers in many of our community wealth building programs need to be independently mobile, especially where jobs/careers may be outside of existing transit routes. However, they do not yet earn enough to purchase their own vehicle. The Piedmont Virginia Community College (PVCC), through the Network2Work program has run a loaner fleet through PVCC that lends donated vehicles to job seekers for up to six months, which gets them through training and the first few months on the job, at which point they return the loaner vehicle and purchase their own car.

- **Amend** the Code of Virginia to permit the Virginia Department of General Services to **donate surplus motor vehicles prior to public sale or auction to Virginia community college educational foundations** in order to assist low-income students participating in noncredit workforce training programs overcome **transportation-related barriers to employment**. (Ridge Schuyler/Charlottesville)

Education/Early Childhood Initiatives

A fundamental principle of the Virginia First Cities Coalition is that all children deserve the same opportunity to succeed. Virginia needs to prioritize and accelerate its focus on transforming schools with high numbers of children coming from economically challenged backgrounds. A state priority should be to encourage and fund successful public education models such as the Achievable Dream schools that encourage respect and a love of learning, and the Hampton Academies that connect high schoolkids to

real career opportunities. Encouraging more schools to use year-round school models so that kids retain and build on what they learn should be prioritized. As the COVID-19 pandemic has laid bare, the state should prioritize giving every child the technology and training it takes to be successful in today's world. This crisis provides stark evidence that our K-12 system needs modernization of both infrastructure and instruction. Now that technology and distance learning have accelerated at lightning speed, it is time for the state to assist local K-12 improvements to bring 21st century technology to all our students and schools. Every child, no matter their zip code, should have modern computer tools in their schools and homes and access to broadband and remote learning capabilities. Our technology should be able to bring the latest skills, ideas and experts to all students.

The General Assembly must recognize and fund the true costs of public education. Virginia's public schools rely more on local governments to fund their budgets than all but nine other states in the country, resulting in one of the most regressive funding structures in the nation. Virginia spends much less per student in our highest poverty communities than in our wealthiest ones.

- The General Assembly should expand the **Standards of Quality** (SOQ) to include a sustainable state funding source to assist localities and school divisions in modernizing public school facilities. In the short-term, a pilot program of competitive grants using funds from the Virginia Public Building Authority in order to offset the costs of new construction or renovation for publicly owned and operated K-12 schools should be available to all VFC members. (Newport News)

While the 2020 General Assembly made some groundbreaking funding decisions, they were unallotted due to the COVID-19 pandemic. The complete restoration of increased funds for the At-Risk Add-On is still critically important to VFC member school divisions, as are other proven programs that VFC has championed through the years.

- Continue to increase the **At-Risk Add-On**.
- Support the **extended-year and year-round school** grants program with increased funding.
- Support funding for the **Master Teacher Residency Program** at \$3 million each year to support teacher training, mentoring and retention.
- Continue to support a more robust **early childhood/Pre-K program** including **Virginia Early Childhood Success to provide seamless, affordable access for the most at-risk families to quality early childhood services**, including home visiting, subsidized childcare, and preschool.

City Government/Administration Issues

The Virginia Code §15.2-1414.6 governing salary compensation for elected officials in cities has not changed since 1998. In 1997, substantive changes occurred when the second highest population bracket dropped from the maximum population of 200,000 to 175,000; the third highest population bracket changed from 95,000 – 199,999 to 75,000 – 174,999; and the next population bracket changed to a maximum of 74,999. Added in 1988, was the current highest band for salary increases providing

for a population bracket of 260,000 and over and a maximum salary of \$30,000 for the Council President or Chair and \$28,000 for Council members.

Approximately 25% of Virginia cities can set their own salaries with no other limits. Approximately 15% of cities have specific salaries dictated with their charters. Two Virginia cities have their salaries determined by an independent commission or board, and approximately 40% of Virginia cities refer to the General Laws of the Commonwealth, setting maximum limits for compensation.

The Virginia statute does not confer the same obligations to Virginia counties, as they face no caps on compensation and are able to adopt salary increases for the new term of elected officials.

In the 21st century, there are no compelling reasons for Virginia city councils to be treated different than Virginia counties. Both are responsible to the electorate that can comment publicly or vote them out of office for this, or any other reason. For all these reasons, Virginia First Cities **urges the General Assembly to remove the caps on city council salaries.** (Delegate Sally Hudson, Charlottesville).

Public Safety

The 2020 General Assembly, both in the regular and special sessions, followed through on virtually all of the “asks” in the areas of guns and local government controls. However, on the issue of police department funding from the state government, efforts have fallen short. For this reason, we reiterate our commitment to:

- Reallot/funding for **Aid to Localities with Police Departments** according to statute with a formula that is responsive to urban police departments facing challenges with workforce recruitment and training.
- Increase the **per diem rate for all state-responsible inmates** incarcerated in local jails to a rate that recognizes the increased burden of mental health and substance abuse on the local jail population.
- More robust and widespread funding of **day reporting centers** and community wealth building initiatives to **decrease recidivism** and provide stability and a positive trajectory for those soon to be released from jail.

Taxation

The Machinery and Tools and Business and Professional Occupational License taxes comprise a major part of our city budgets and are extremely important to local government revenue streams.

- VFC will vigorously oppose any attempt to eliminate or reduce the **M&T and BPOL** taxes unless it includes an alternative funding mechanism.

Transportation/Mobility

Our cities are vibrant, urban centers that have been or are making proactive transportation improvements in order to aid quality of life and the environment. While there is not a one size fits all

for our member cities, there is an expectation that mobility and diversity of mobility in and around the urban core is safety first. This is vital to jobs and thriving cities.

- **Support increased street maintenance funding** to ensure equitable funding for independent cities and urban areas that, in the current formula, do not receive adequate funding for on-street parking areas, bike lanes, transit lanes and turning lanes.
- Ensure that **transit funding** from the **2020 omnibus transportation bill** is maintained in the state budget.
- Support allowing local governments the **option** to implement a **radar speed enforcement initiative** in urban centers on residential streets to help calm traffic. Authorizing the use of radar-enabled speeding and red-light cameras (beyond the currently allowed posted school crossing zones or work zones) to include business and residential districts will be a traffic calming measure, a cycling and pedestrian friendly measure, and a way to hopefully gain compliance with speed limits on our streets without having to hire or redirect local police. (Richmond)

**** Individual items in the 2021 VFC Legislative Agenda may not be officially supported by every member city**