

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 17, 2020

TO: MEMBERS OF THE CITY COUNCIL

CC: CITY MANAGER MARK JINKS

FROM: MAYOR JUSTIN M. WILSON

SUBJECT: COVID-19 RESPONSE & RECOVERY INITIATIVES

As we speak, the City is facing a crisis without recent precedent due to the global COVID-19 outbreak. While only two Alexandrians¹ have thus far received presumptive diagnoses with the virus, all public health projections indicate that many more residents will be impacted before the threat is abated. Further compounding this crisis is the challenge created by the necessary precautions being taken by public agencies, private employers and individuals.

On Saturday, the City Council ratified the City Manager's declaration of a local emergency² and allocated \$100,000 to the ACT for Alexandria COVID-19 Relief Fund and a further \$20,000 to ALIVE to purchase bulk food³. While these actions provide for some immediate relief of emergent human service needs, this will be only the beginning of an extensive response that is necessary and a long recovery effort. For the City and its neighbors, such a recovery will require aggressive actions.

We will have residents unemployed and underemployed, families experiencing food and housing insecurity, children suddenly in need of care, small businesses suffering severe degradation of revenue, and the concomitant impacts to City revenues and new demands on City expenditures. At least 12.7% of City revenues is directly attributable to consumption in Alexandria businesses. Over \$100 million of annual City revenue is at risk (Dining Tax, Transient Lodging Tax, Business License Tax and Sales Tax)⁴.

The necessary actions will generally fall into three major categories:

- Human Service
- Small Business
- Municipal Finance

¹ https://www.alexandriava.gov/news_display.aspx?id=114177

² <https://alexandria.legistar.com/LegislationDetail.aspx?ID=4396229&GUID=4BF02092-C30F-4CBC-8F90-0263A912EC40>

³ <https://alexandria.legistar.com/LegislationDetail.aspx?ID=4396228&GUID=2226CA71-72F7-4D7D-9690-6C1E2DF2542B>

⁴ <https://www.alexandriava.gov/budget/info/default.aspx?id=113700>

Each area will require sustained actions to ensure recovery. As such, after consulting with my colleagues, residents and business owners, I would suggest the following actions for consideration.

Human Service Response

Overall Financial Impact: ~\$5,000,000

Rental Assistance, Emergency Shelter & Eviction Services

Description: Supplemental funding to support expanded capacity for rental assistance, emergency shelter and eviction prevention services with the Department of Community and Human Services.

Timing: Immediate

Alexandria Fund For Human Services Supplement

Description: One-time, short-duration solicitation to fund existing, scalable non-profit capabilities to support emergent human-service needs in Alexandria as a result of the COVID-19 outbreak and response.

Timing: Immediate

Nutrition Supplement

Description: Funds to support expanded capacity of existing senior nutrition programs and to support expansion and delivery of proposed ACPS nutrition programs.

Timing: Immediate

Local Social Service Extension

Description: Request for extension of renewal requirements and additional funding to ensure continuity of existing local social services.

Timing: Immediate

Seek Eviction Deferrals

Description: Formal request to landlords to defer eviction actions. Request to General Assembly to enact legislation deferring evictions.

Timing: Completed

Expanding Child-Care Fee Subsidy

Description: Add additional funding to support child-care for the children of parents working outside the home.

Timing: Immediate

AHOP Restoration

Description: Restore Affordable Homeownership Preservation Grant Program for single-year FY 2021 relief. Program provides real estate rebates to eligible homeowners meeting income qualifications.

Timing: June 2020

Healthcare Capacity

Description: Provide funds to address emergent infrastructure, services, and staffing needs in support of healthcare delivery, including Alexandria Health Department, Neighborhood Health and INOVA Alexandria Hospital.

Timing: Immediate

Enhanced Communications Capability

Description: Provide support to create dedicated COVID-19 communications channels to push out information throughout the community.

Timing: Immediate

Small Business Rescue

Ease Dining Tax Collection

Description: Eliminate late fees (retain interest accrual) on dining tax collection for the remainder of calendar year 2020.

Timing: Immediate

Financial Impact: TBD

Small Business Stabilization Fund

Description: Repurpose portion of business attraction funds to provide micro-loans to qualifying small businesses.

Timing: April 2020

Financial Impact: \$500,000

SBA Loan Assistance

Description: Provide staff assistance and support to assist small businesses in seeking Small Business Administration emergency loans.

Timing: March 2020

Financial Impact: TBD

Allow Food Delivery/Pick-Up By-Right

Description: Adopt emergency Text Amendment allowing a restaurant to provide delivery services by-right regardless of Special Use Permit restrictions.

Timing: March 2020

Financial Impact: N/A

Allow Sidewalk/Parking Lot Vending By-Right

Description: Adopt emergency Text Amendment temporarily (through end of 2020) allowing a restaurant or retail establishment to vend on adjacent sidewalks or private parking lots.

Timing: March 2020

Financial Impact: N/A

Outdoor Dining Expansion

Description: Adopt emergency Text Amendment to allow temporary (through November of 2020) administrative approval of expanded outdoor dining areas (to provide for increased distance between seats) and flexibility to reallocate seats between outdoor and indoor areas.

Timing: TBD

Financial Impact: N/A

Off Premises Alcohol Sales

Description: Adopt emergency Text Amendment to allow temporary (through end of 2020) off-premises alcohol sales for all restaurants (subject to ABC licensure)

Timing: March 2020

Financial Impact: N/A

Free Saturday Parking

Description: Eliminate parking meter fees on Saturdays temporarily (through end of calendar year 2020).

Timing: TBD

Financial Impact: TBD

Seek Rent Deferrals

Description: Formal request to landlords to provide business tenants with rent deferrals/reductions.

Timing: March 2020

Business Recovery Task Force

Description: Create blue-ribbon task force to identify concepts for recovery of Alexandria's economy.

Timing: June 2020

Financial Impact: TBD

Municipal Finance

The City Manager is requested to provide budget memo responses on the following major budget modification scenarios:

- 1) Revenue re-estimate projections assuming significant degradation of consumption-based revenues.
- 2) Deferral of portion of proposed FY 2021 capital expenditures until FY 2022 to provide for retention of existing real estate tax rate (\$1.13).
- 3) Proposed operating budget spending reductions to provide for an additional 1 or 2 cent real estate tax reduction (beyond the capital reductions proposed above).

Cc: Gloria Sitton, City Clerk; Joanna Anderson; City Attorney