



Legislation Text

File #: 21-0768, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 17, 2021

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Resolution to Subsidize the Stormwater Utility Fee as an Expenditure Grant Rather than an Exemption on Real Estate Tax Bills for Certain Low-Income and/or Disabled Property Owners. [ROLL-CALL VOTE]

ISSUE: Consideration of resolution changing the nature of Stormwater Utility Fee subsidies.

RECOMMENDATION: That Council approve the resolution on Tuesday, February 23, 2021.

BACKGROUND: In tandem with the Stormwater Utility Fee increase for FY 2021 and FY 2022, staff proposes implementing a technical and policy change to the process for relieving certain low income and/or disabled property owners from paying this fee that is more consistent with State law.

DISCUSSION: Since adoption of the Stormwater Utility Fee beginning in 2018, the City has exempted from paying the Stormwater Fee those low-income elderly and/or permanently and totally disabled property owners who qualify to participate in the City's Real Estate Tax Relief program; and, permanently and totally disabled veterans and their surviving spouses as defined by State law. This represents almost 1,100 property owners.

As an "exemption," the Stormwater Fee has effectively been waived from the tax bill sent to these property owners. In other words, we have not realized the revenue from these exemptions and the remaining ratepayers have essentially subsidized these low income and disabled property owners.

However, the more legally and policy preferred means to abate this fee is as an expenditure "grant" from the Department of Community and Human Services (DCHS), allocated to the accounts of the low income and disabled property owners at the direction of the Local Social Services board pursuant to Va. Code § 63.2-314. The Director of Social Services operates as the Local Social Services board for the City under Va. Code § 63.2-304. As such, the General Fund will now subsidize the fee of these taxpayers, which is a more appropriate source for what is an income and disability based subsidy program.

Under this technical change, the City Council would appropriate from the General Fund an amount equivalent to the annual Stormwater Fee for these specific property owners and budget that in the DCHS budget. Once appropriated, and at the direction of the Director of Social Services, these funds will be transferred to the appropriate Stormwater Management fund in the Department of Transportation & Environmental Services (T&ES). T&ES will then coordinate with the Department of Finance to credit each applicable property owner's tax account with the grant amount necessary to offset their Stormwater Fee obligation. (Of note, this credit is different from the stormwater fee improvement credit which is available to property owners who may reduce their annual fee by earning credits implementing practices described in the City's Stormwater Utility Credit Manual.) Consistent with State law, each year DCHS will ask the Director of Social Services as the local services board to approve paying these appropriated funds to T&ES on behalf of these low income and disabled property owners as a Stormwater Fee grant.

FISCAL IMPACT: The City Manager has budgeted \$125,000 for this change in his Proposed FY 2022 Operating Budget. This also results in \$125,000 more per year for Stormwater Capital investments.

ATTACHMENT: Resolution Providing Financial Relief Program for Certain Homeowners to Assist with Payment of The City's Stormwater Utility Fee

STAFF:

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