

## **FINAL DIRECTION TO THE COUNTY MANAGER FOR PREPARATION OF THE FY 2021 BUDGET**

The County Board directs the County Manager to prepare a FY 2021 budget that is balanced and reflects current economic conditions, while honoring the County’s vision as a “diverse and inclusive world-class urban community with secure, attractive residential and commercial neighborhoods.” The budget should provide for long-term financial sustainability; preserve the County’s triple-AAA bond rating; and fully fund all debt, lease and other contractual commitments including those “subject to appropriation” in the base budget.

Current economic conditions and trends inform the budget forecast for FY 2021 and suggest that the County will see revenue growth consistent with or slightly above historical trends. As more is known about economic conditions and expenditure pressures, the County Manager shall update the County Board and the community in a timely manner, so that the Board may revise this direction to reflect changes in the revenue forecast.

### **The County Manager is further directed to:**

1. Propose a balanced budget that assumes no increase in the General Fund tax rates and considers real property tax rate reductions as a tool to balance the impacts of significant year-over-year increases in property assessments. Proposed program or service enhancements should be funded by increased revenue including fees or reallocations.
2. Prepare proposals for long-term efficiencies and improvements in service delivery that will continue beyond FY 2021; proposed changes in service delivery should be in line with adopted County plans and policies.
3. In the area of affordable housing:
  - a. Include options to increase funding for the Affordable Housing Investment Fund by at least \$3 million and \$5 million and \$9 million above the FY 2020 level of \$16 million through the use of ongoing and one-time funds.
  - b. Include recommendations for how an increment of new AHIF funds *or* other Housing funds can be used to support the housing needs of residents making <30% AMI. Such recommendations may include a set-aside for achieving deeper affordability in new CAF projects in FY 2021; loans to refinance (and “buy down” affordability levels) in existing CAFs; and changes to Housing Grants formulas and/or eligibility to serve more residents making <30%.
  - c. Develop proposals for funding, staffing and policy approaches to 1) better monitor trends in rents in Market Rate and Committed Affordable apartments 2) support low-income residents facing housing instability as a result of significant increases to rents and/or utilities. Such proposals may include counseling and tenant services; increased emergency assistance through the County’s eviction prevention fund; legal services; and/or outreach specialists embedded within County agencies, on site (and in partnership) with Arlington Public Schools or within another community partner.

4. Develop a strategy to allow the County to fund or facilitate the purchase of property that may become available and when a closing date will not allow for traditional AHIF or CIP review processes if said property can facilitate the County's affordable housing and community facilities goals.
5. Provide funding consistent with the Revenue Sharing Principles and apply the County/School revenue allocation reflected in the FY 2020 budget (53% County / 47% Schools).
6. Finally, considering several recent and ongoing initiatives, the Manager should:
  - a. Implement directives from the County Board's [Equity Resolution](#).
  - b. Submit, along with the Proposed FY 2021 budget (February 2020), a review of the StormwaterWise Landscape program and any recommended changes.
  - c. Explore opportunities to deploy flood sensors and report to the Board on best practices for flood warning systems and identify potential locations in the County as part of our emergency response / life safety notification efforts.
  - d. Submit an update on the ongoing review of potential alternative funding approaches for the Stormwater programs – specifically analysis of the pros and cons of continuing the ad valorem tax for such programs or the alternative approach of a fee based on impervious surfaces as well as the possibility of bond financing for capital investments as appropriate.
  - e. Continue with compensation and staffing adjustments adopted in April 2018 and encompassed within the Pay Philosophy adopted in July 2018.
  - f. Continue maintenance of existing infrastructure by providing funds to maintain the State of Good Repair as outlined in the adopted CIP.
  - g. In recognition of the Housing Arlington Initiative and the significant number of development applications across the County, submit with the Proposed FY 2021 Budget analysis and options for increased staffing to expand the capacity of the County departments to process anticipated: new and amended site plan applications; special GLUP studies and other similar ad-hoc planning requests; and zoning ordinance amendments, including comprehensive and condensed review scope.