

2017 Virginia First Cities Community Wealth Building Policy Initiatives

Guiding Principles

Virginia First Cities' members are among the most fiscally stressed cities in the Commonwealth. Our cities are not receiving enough revenue to meet the needs of our communities. Recognizing the fiscal stress that the Commonwealth is experiencing as a whole, we respectfully request that the General Assembly and the Governor not balance the budget on the backs of our stressed local governments.

State mandates take a heavy toll on our cities and further exacerbate our cities' fiscal stress. We urge General Assembly legislators to give our cities, and all Virginia local government, the flexibility and tools to avoid or ameliorate this fiscal stress.

As Virginia state government has been publicly resistant to federal mandates, so too, local governments are resistant to state mandates when not accompanied by appropriations to implement these mandates. At some point, the push down of mandates to Virginia cities results in inferior service to the government closest to the people. When you couple the effect of state mandates on local government, with the unique Virginia Dillon Rule and local government's inability to raise revenues to pay for mandates, at some point it become untenable and other local services fail. This vicious cycle seems to be played out year after year in the Commonwealth of Virginia.

When there is an opportunity for local government to generate tax revenue from new internet-based businesses like AirBnB/short-term rental companies, we are challenged with legislation that would deny local governments the tools to regulate where and how these short-term rental companies can operate. Further, the state has proposed collecting the tax revenue and remitting back to localities. Experience has taught us that this never ends well for local government.

The good news is that many of our VFC cities are experiencing revitalization with millennials and empty nesters moving back in to many of our cities. We are experiencing a high demand for services and very few tools to meet the at-risk educational needs, the housing stock needs, and the other infrastructure needs that are all critical to stable local government.

We recognize the serious financial and budgetary challenges facing the Commonwealth. VFC urges the General Assembly to protect funding for the programs noted below, and to create programs like the Community Wealth Building Fund that will be a repository until such time as the Commonwealth's revenue and budgetary picture is more secure.

The Virginia First Cities Board voted on the following policy statement at the December 1, 2016 meeting: *We urge the General Assembly to fund its obligations to cities as per the statutory framework in the Code of Virginia. From state funding for local police departments, to Payment in Lieu of Taxes (PiLoT) payments to the Cities of Hampton, Newport News, Norfolk, Portsmouth and Richmond, funding has been woefully short of the statutorily prescribed formula. When coupled with the lack of proper funding K-12 education, car tax reimbursement, our cities are bearing an untenable burden and it is showing in our schools, our neighborhoods and our overall community fiscal health.*

Accordingly, VFC's 2017 Legislative Agenda is proposed as follows:

Comprehensive Poverty Reduction: Create a comprehensive Community Wealth Building state matching fund, partnering with local programs that target intractable long-term pockets of poverty through combined education and job training, housing and transportation resources, mentoring and prisoner re-entry, childcare and early education, and workforce training and other programs that break the cycle of poverty. Preparing people for jobs in the new workforce is extremely important to a healthy community continuum. Prioritize the use of “Go Virginia” funding to create jobs for those in poverty.

- **Increase the Minimum Wage** from its current federally mandated level of \$7.25 per hour to \$10.10 per hour

At-Risk Public Education/Challenged Schools

- **Increase At-Risk Add-On program funding**
At least a 20 percent boost to basic aid per concentrated levels of free lunch students in order to fund the wraparound services necessary to meet state SOL, SOA, and graduation requirements.
- **Provide adequate Virginia Pre-school Initiative funding and policies**
Funding and policies should be flexible enough to ensure success for early childhood education programs.
- **Attract and retain quality teachers to challenged urban schools**
Teacher improvement programs, such as the Master Teacher Residency Program, should be expanded and teacher pay policies should recognize the difficulty of attracting quality teachers to challenged schools and subjects.
- **Continue the commitment to Extended Day and Year school funding programs**
Extended day/year school funding programs that allow schools time to target and assist students at-risk of failure.
- **Monitor and Support the Virginia Board of Education Recommendations to the General Assembly on the SOQs and Foundational Programs Required for Schools to Prepare a Diverse Student Population for Success.** PreK-12 funding should support the cost to properly educate children.

Economic Development

- **Virginia Enterprise Zone Program**
The state should provide adequate funding to avoid grant proration for businesses that are located in distressed communities.
- **Protect Brownfields Restoration Land Renewal Program** *assessment and rehabilitation funding.*
- **Protect Historic Rehabilitation Tax Credits**
A study of this program will provide empirical evidence of the immense economic and urban redevelopment value that these tax credits have provided our cities

- **Strengthen housing policies and options for low income Virginians**, including the Housing Trust Fund.
- **Increase blight reduction efforts** including funding derelict structures removal.

Public Safety

- **Restore Virginia Department of Corrections' local community diversion centers**
Enhance drug courts, and enact sensible non-violent offender laws including felony threshold levels, and meaningful prisoner re-entry assistant funding.
- **Protect and enhance state Aid to Police Departments** with a formula that recognizes the costs of higher levels of serious crime.
- **Provide adequate assistance for community juvenile justice commitments.**
- **Restore VJCCCA funding** for local juvenile behavior improvements programs.
- Make wholesale improvements in **mental health and substance abuse programs for individuals in local and regional jails.**

Health and Human Services

- **Provide adequate state funding for local administration of social services and health departments**
- **Expand Medicaid in Virginia.**
Expanding Medicaid or creating a state solution to use federal dollars would be good for Virginia's economy, bringing an estimated \$6.2 million per day to the Commonwealth, resulting in billions of dollars to support the health care industry, supportive health care industries, and employment.
- **Provide fair local match rates for Child Services Act funding.**
Eliminate the match requirement for non-mandated children.
- **Continue to direct TANF funding to programs that break the cycle of poverty**
This includes the Healthy Families program and Community Action Agencies. Modify TANF localities groupings for assistance payments to reflect current local costs.
- **Increase funding and support for childhood cancer research.**

Transportation

- Provide **equitable street maintenance payment funding from the state, including the conversion of city streets to bike lanes.**

- Ensure state policies include **construction and major rehabilitation funding for city streets and major arterials.**
- Provide dedicated funding for **Public Transit.**

Natural Resources

- Push for additional **Stormwater Local Assistance funds** to meet Clean Water and Chesapeake Bay Act requirements.

Tax Policy and Revenue Enhancements

- Increase the **Standard Individual Income Tax Deduction** to help lower income filers.
- Expand the state's **Earned Income Tax Credit** to encourage and support low-wage working families.
- **Study Dedicating Additional Lottery Monies to Local Governments.** Support for a Joint Legislative Audit and Review Commission (JLARC) study of the feasibility of dedicating additional lottery dollars to local governments.

- **Marketplace Fairness**

We urge the U.S. Congress to adopt legislation that levels the playing field for competing services in the market place that treats sales tax obligations the same, whether entering a store by foot, by mail, by phone or by the Internet.

- **Tax Certification**

Support the Danville pilot project legislation allowing localities, by ordinance, to require that the Clerk of Court should not record any deed conveying an interest in real property without a certification from the Director of Finance that all delinquent real estate taxes and nuisance abatement charges assessed against that property has been paid. Any attorney drafting a deed as part of a real estate settlement may also provide certification that all such delinquent amounts will be paid from settlement funds disbursed at closing. This will improve tax collection and will streamline tax lien and Building Code enforcement and protect citizens from the fraudulent or malicious transfer of tax burdened properties.

*** The 2017 VFC Legislative Agenda was approved by the Virginia First Cities Coalition Board of Directors, comprised of representatives from each member city. Each item included in the VFC Legislative Agenda may not be officially supported by every member city.**