Rappahannock-Rapidan Regional Commission Meeting
October 28, 2020 at 1:00 pm
Town of Orange Community Room
235 Warren Street, Orange, VA 22960

AGENDA

1. Call to Order

2. Electronic Meeting Participation During Declared State of Emergency (**Attachment**)

3. Pledge of Allegiance

4. Roll Call & Quorum Determination

   Welcome to New Commissioners: Mayor Lori Sisson, Town of The Plains

5. **Approval of Agenda

6. Public Comment

7. Presentations & Special Recognition

   a) RRRC Regional Housing Study – *Amie Collins, Camoin 310* (**Attachment**)

8. Approval of Minutes

   a) **August 26, 2020 (**Attachment**)

9. Financial Reports

   a) FY 2020 Draft Agency Audit (**Attachment**)
   b) **FY 2021 YTD Financial Report & Budget Amendment (**Attachment**)

10. Executive Director's Report (**Attachment**)

    a) PDC Annual Reports
    b) Continuity of Operations Plan
    c) Upcoming Meetings

Meeting Calendar and additional background available via the Commission's websites:
www.rrregion.org www.rrcommute.org www.thevirginiapiedmont.org www.fams.org
www.purelypiedmont.com www.foothillshousing.org www.tweenriverstrail.com

11. Staff Updates

    a) Regional Transportation Collaborative **(Attachment)**

12. New Business

    a) **USDA NRCS Regional Conservation Partnership Program **(Attachment)**
    b) **RRRC application to GO Virginia for Regional Entrepreneurship Program **(Attachment)**

13. Regional Roundtable

14. **Adjournment

**Commission Action Item

NOTE: An Executive Committee meeting will be convened if a quorum is not present.

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Rappahannock-Rapidan
REGIONAL COMMISSION

MEMORANDUM

To: **Members of the Rappahannock-Rapidan Regional Commission**

From: **Patrick L. Mauney, Executive Director**

Date: **August 19, 2020**

Subject: **Electronic Meetings During Declared State of Emergency**

When the Governor has declared a state of emergency in accordance with section 44-146.17 of the Code of Virginia, it may become necessary for the Rappahannock-Rapidan Regional Commission to meet by electronic means as outlined in Section 2.2-3708.2 of the Code of Virginia as amended. In such cases, the following procedure shall be followed:

1. The Rappahannock-Rapidan Regional Commission will give notice to the public using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of the Rappahannock-Rapidan Regional Commission.

2. The Rappahannock-Rapidan Regional Commission will make arrangements for public access to such meeting through electronic means including, to the extent practicable, videoconferencing technology. If the means of communication allows, provide the public or common interest community association members with an opportunity to comment.

3. The Rappahannock-Rapidan Regional Commission will otherwise comply with the provisions of § 2.2-3708.2 of the Code of Virginia. The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes of the Rappahannock-Rapidan Regional Commission meeting.

REQUESTED ACTION: None required.

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MEMORANDUM

To: **Members of the Rappahannock-Rapidan Regional Commission**

From: **Patrick L. Mauney, Executive Director**

Date: **October 20, 2020**

Subject: **RRRC Regional Housing Study Draft**

In late 2019, the Regional Commission received funding from Virginia Housing (formerly VHDA) to support the Regional Housing Study, following a scope of work reviewed by the Commission in June 2019.

Representatives from Camoin 310, the consultant team selected to complete the study earlier this year, will present the draft Regional Housing Study at the October 28th meeting.

A copy of the draft Executive Summary document is included here, and all draft study materials can be found at https://www.rrregion.org/housingstudy

REQUESTED ACTION: None requested. Staff will seek comments and review from regional stakeholders and anticipates the Commission considering adoption at the December meeting.

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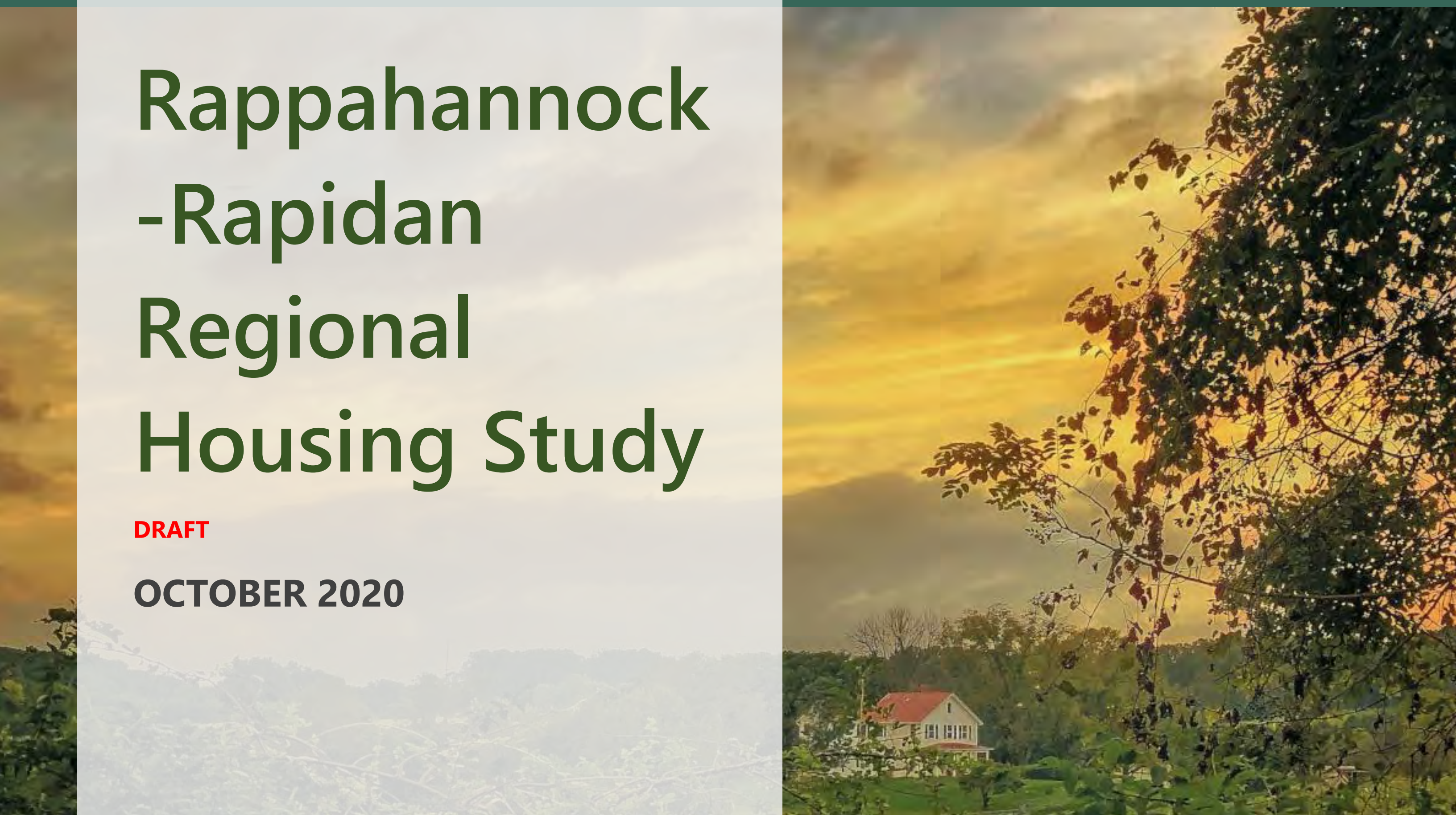
Rappahannock-Rapidan Regional Housing Study

DRAFT

OCTOBER 2020



Rappahannock-Rapidan
REGIONAL COMMISSION

Special Thanks

This report would not be what it is without the help of the Rappahannock-Regional Commission Working Group, convened together for the completion of this report. They reviewed documents, attended meetings, participated in individual interviews, provided information pertaining to their locality, and made time to provide relevant and applicable input throughout this entire process. For all their comments and questions, thoughtful consideration, and critical feedback we say thank you!

Working Group Committee Members

Sam McLearen, Director of Planning, Culpeper County

Andrew Hopewell, Asst. Chief of Planning, Fauquier County

Ligon Webb, Director of Planning & Zoning, Madison County

Sandra Thornton, Planning Services Manager, Orange County

Lee Frame, Board of Supervisors, Orange County

Garrey Curry, Jr., County Administrator, Rappahannock County

Salem Bush, Interim Director of Community Development, Town of Culpeper

Ben Holt, Town Planner, Town of Culpeper

Debbie Kendall, Town Manager, Town of Gordonsville

John Cooley, Director of Community Development, Town of Orange

Denise Harris, Director of Planning, Town of Warrenton

Frank Cassidy, Director of Community Development, Town of Warrenton

Rappahannock-Rapidan Regional Commission

Patrick Mauney, Executive Director

Jennifer Little, AmeriCorps VISTA

Virginia Housing

Special thanks to Virginia Housing for funding this study.

Cover Photo Source: https://www.rappahannock.com

Rappahannock-Rapidan Regional Housing Study

DRAFT

OCTOBER 2020

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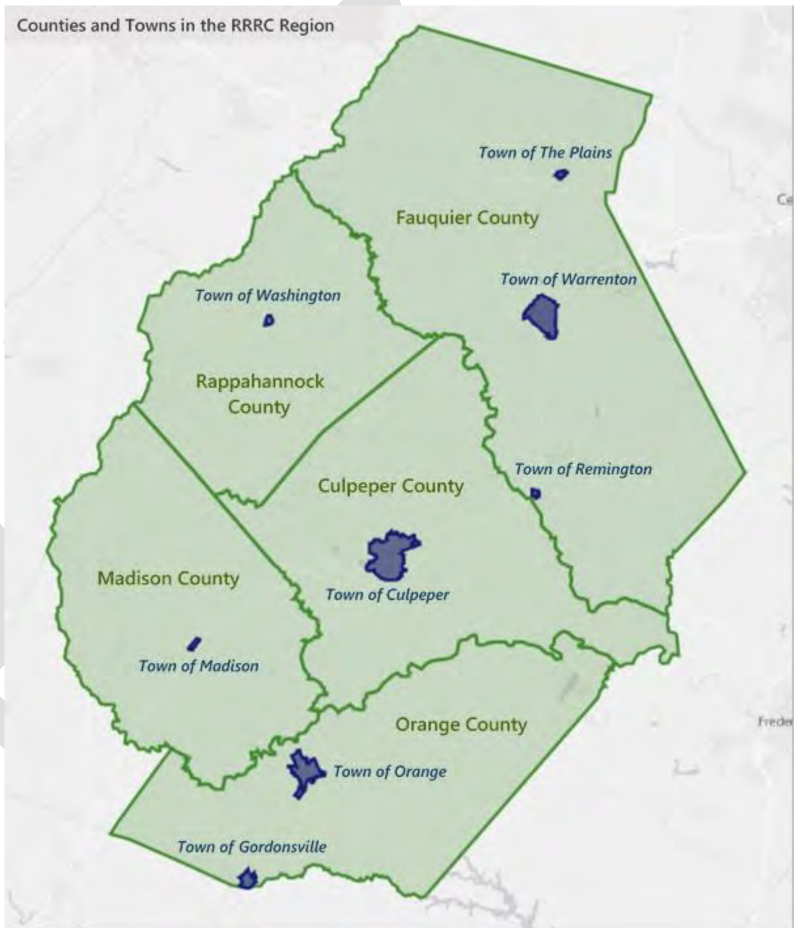
Executive Summary Report

INTRODUCTION

The Need

Within the Rappahannock-Rapidan Region, housing needs are diverse. From rising housing prices and cost of repairs to an increasing need for senior and rental housing to increasing homelessness and a decrease in the number of people able to both live and work in the same community, a cohesive and region-wide housing strategy is needed. While housing studies have been completed throughout the region, this is the first comprehensive study since 2006 to look at the region as a whole.[1]



The Rappahannock-Rapidan Region consists of the Counties of Culpeper Fauquier, Madison, Orange, and Rappahannock, and the Towns of Culpeper, Gordonsville, Madison, Orange, Remington, Plains, Warrenton, and Washington. The region is located in the northern Piedmont region of Virginia, an area known for its rolling foothills and rural landscape nestled between the Blue Ridge Mountains and the Coastal Plain. Together, the region encompasses an area of 1,969 square miles.

Depending on where one is located in the region, it can take anywhere from one to two hours driving time to reach Washington DC. The region is also within a reasonable driving distance to Richmond, Fredericksburg, or Charlottesville, depending on where one is within the region. Its agricultural heritage, outdoor activities, breweries and wineries, and historical sites combined with its relative proximity to large population centers, and thus employment centers, has created some of the fastest-growing suburbs in the commonwealth.

Yet there is significant diversity within the region. The areas closer to a commutable distance to Washington DC have seen an increase in population and out-commuters with higher incomes, driving up home prices for those who wish to both live and work in the area. This is especially true for more “place-based” occupations such as teachers, nurses and doctors, law enforcement, and local government employees. As

[1] A basic housing needs assessment was completed in 2018 by the Virginia Center for Housing Research at Virginia Tech (VCHR).

a result, this workforce has limited housing options that are both affordable and of adequate quality. As the supply of housing for the local workforce remains constrained, many of the region's workers have been priced out of the market and are forced to commute in from surrounding areas.

Localities in more remote areas are witnessing a declining and aging population with relatively higher housing vacancies. The continued decline in the overall population, and particularly in the number of young families, working-age individuals, and schoolchildren, puts age-related pressures on the community and threatens the ongoing viability of these areas of the region. In addition, each locality has its own vision for land use development as seen in its respective comprehensive plan. This makes a cohesive and synthesized housing strategy challenging for the entire region.

The Response

In response to the need for a comprehensive housing strategy, the Rappahannock-Rapidan Regional Commission applied for and received funding for a Regional Housing Study from Virginia Housing (formerly the Virginia Housing Development Authority). With a working group of representatives from across the region, Camoin 310 was engaged to conduct the Regional Housing Study (the 'Study'). The purpose of this Study is to:

- Provide qualitative and quantitative data to understand and quantify the housing challenges;
- Examine current land use practices that both help and hinder housing developments through zoning ordinances throughout the region; and
- Offer strategy recommendations for addressing major issues.

The process for completing the Study included several components: research and data analysis, interviews with stakeholders, zoning ordinance review, and identification of potential tools and strategies. The process was overseen and guided by the project working group, which provided input and feedback through a series of meetings.

Why is housing important?

At its core, having safe and secure housing is imperative to living a healthy life and is a foundational aspect of contributing to a community. A diversity of housing is also important to the economic vitality of communities. Affordable homes support the local workforce so workers can live close to their jobs. Shorter commutes allow workers to spend more time with their families while the community benefits from having employees such as schoolteachers, nurses, and business owners living locally and engaged in the community. A healthy mix of housing options—including market-rate and affordable, owner-occupied and rental, single-family and multifamily—targeted to households across the age spectrum, ensure opportunities for all individuals to improve their economic situation and contribute to their communities.

WHY ATTAINABLE HOUSING?

- ✓ **Better enable businesses to attract and retain workers.**
- ✓ **Ensure there are residents to support school enrollment, local volunteer organizations, and community group membership.**
- ✓ **Establish a larger customer base of year-round residents for local businesses.**
- ✓ **Create a stronger sense of place that is attractive to both current and potential residents.**

Throughout the Study, we use the term "attainable housing" to diverge from the sometimes negative connotations to the terms "low-income," "affordable," or even "workforce" housing. The work of replacing negative stereotypes and stories about the type of person who needs lower-cost housing is a challenging one, and by shifting terminology it can assist in the education of who in the region needs housing and their role in shaping the overall economy.

For instance, the top five occupations in the region are Cashiers, Fast Food Workers, Retail Salespersons, Office Clerks, and Landscaping Workers. The combined average income of these workers is just $26,500 annually, and yet it takes a household income of $81,700 to afford a median-priced home in the region. Adding housing geared towards the price points of workers within the region would have numerous benefits. One of the most important benefits is that it supports the vitality and sustainability of economic development in the area.

At its core, economic development is about creating high quality, meaningful opportunities for gainful employment. This includes service jobs, middle-skilled jobs, high tech, and technical and soft skilled jobs. But who takes these jobs and what their preferences are (and what they can afford) is just as important as the job opportunities at hand. In short, by catering to the desired workforce and you will cater to businesses at the same time. Since emerging from the financial recession of 2008, access to talent has become the top challenge identified by businesses across all sectors. Employers must now work to chase talent versus the other way around. Thus, business retention and attraction are dependent upon workforce availability. Overall, if there are goals for a diversified economic base in a community, it must be matched with goals for a diversified housing base.

In particular, housing that can meet the needs of entry-level workers will allow them to stay in the area as they grow into adulthood. This will help to ensure that a steady flow of younger residents will put down roots in and enroll their children in its schools, join volunteer organizations, and support community groups. Additionally, local businesses will benefit both from having a larger customer base of year-round residents and from an improved ability to attract and retain workers. All of these impacts will compound, creating a more vibrant culture and a stronger sense of place in the region that is attractive both to current and potential residents.

WORK COMPLETED

The Regional Housing Study includes the following elements.

The **Baseline Data Analysis** outlines the demographic patterns of each locality in the region, examining data such as population growth, age distribution, commute patterns, and income. It also examines industry data to understand wages across the localities and how it aligns with housing affordability. In addition, this section also analyzes the current housing stock within the region considering such aspects as occupancy, housing age, vacancy, permits issued, short term rentals, and more. This data helps communicate the differences throughout the region and the need for a comprehensive and tailored, yet synthesized approach.

Stakeholder Interviews were conducted with representatives from each locality as well as service providers and others throughout the region. The purpose of these interviews was to ground the data and help direct strategy recommendations that are scaled appropriately and meet the current capacity of each locality. We interviewed people in the private and nonprofit sectors to understand both the market forces happening throughout the region, as well as the diverse set of housing needs and the current strategies being employed.

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The **Housing Demand Analysis** examines housing demand in the current population and the extrapolated housing needs over the next five years to understand the degree to which additional housing is needed throughout the region. Demand was outlined by county and price points to understand the extent to which actions should be prioritized.

A **Zoning Ordinance Review** revealed how zoning codes help or hinder the building of attainable housing. In addition to best practices in codes that encourage attainable housing, we also reviewed those codes that could be preventing needed housing. We reviewed each County's code in addition to the Towns of Culpeper, Orange, and Warrenton at their request.

Finally, **Strategy Recommendations** were prepared to launch the region into action and support efforts currently underway. Using the information collected in the preceding steps, we provide recommendations around housing strategies to accommodate existing and future housing demand in the region. Recognizing local constraints to achieving housing goals, we provide a framework that fits within the existing capacity of partner organizations.

MAJOR FINDINGS

Baseline Data Analysis

Demographic & Economic Trends

The region as a whole has been growing, albeit within inconsistent patterns between counties. Since 2003, the region has seen its population grow by 20%; however, this is being driven by Fauquier, Culpeper, and Orange Counties with a growth of 16%, 32%, and 27% respectively. Madison and Rappahannock Counties have seen relatively flat growth at 2% since 2003. By age, Madison and Rappahannock Counties trend older with median ages of 45.2 and 50.5, compared to 39.2 in Culpeper County, 42.9 in Fauquier County, and 44.5 in Orange County.

Government is the largest employment sector in the region, accounting for 19% of all jobs. This sector includes all government-run establishments including public elementary and secondary schools, state-run hospitals, law enforcement, and local and federal government. The region's economy is further supported by Retail Trade; Health Care and Social Assistance; Construction; and Accommodation and Food Service industries which represent another 40% of all jobs. Over the last 10 years, the number of jobs in the entire region has grown by 8%, growing in all counties except Madison.

Sixty-four percent of the people who live in the region work outside the region. This figure has steadily increased since 2002 when 56% of people who lived in the region worked outside of the region. High levels of in- and out-commuting are indicative of a mismatch between employment opportunities and housing options, and also reflect the higher income jobs available outside the region.

The population density in the counties varies significantly between a high of 138 people per square mile in Culpeper County to a low of 28 people per square mile in Rappahannock. Fauquier and Orange Counites have a population density of about 110 people per square mile and Madison County's population density is 43 people per square mile.

Existing Housing Stock

Regionwide, 68% of housing is owner-occupied; 21% is renter occupied; 3% is seasonally vacant; and 7% is vacant for other reasons such as being prepared to rent or sell, being held for repairs, settlement of an estate, or personal reasons. Seasonally vacant refers to units that may be a second home and/or a seasonal rental.

A vacancy rate above 10% indicates a lack of supply of the housing needed, delinquent housing, or other economic or demographic reason. Madison County has a vacancy rate of 11% for other reasons as mentioned above; Rappahannock County has a seasonally vacant rate of 15% and a 10% vacancy rate for other reasons. For rentals, the need for additional units can be seen in the very low rental vacancy rate, just 3% across the region.

About 90% of existing housing is single-family units, with just 3% of housing in structures with 2-4 units. This housing is typically referred to as the “missing middle,” defined as the medium-density housing with more structures than a single-family unit but compatible in scale. By age, 38% of homes in the region were built between 1990 and 2009, and another 31% were built between 1970 and 1989. Interviews suggest there has been some disinvestment in some homes in the area, particularly more rural areas.

Short term rentals (homes rented through platforms such as Airbnb or Vrbo) in the region have increased by over 50% in the past two years. However, this represents only 5% of the total rental stock. Portions of the area have more short-term rentals than others, particularly Madison (10% of all rentals), Orange (8%), and Rappahannock Counties (9%).

Development activity in the region has made a steady recovery since the collapse of the housing market nationally in 2008. In the early 2000s, the region was issuing anywhere from 1,250 to 2,750 building permits per year, largely for single-family homes in Culpeper and Fauquier Counties. From 2000 to 2018 Culpeper, Fauquier, Orange, and Madison Counites did permit residential structures with more than five units, about 1,000 units total, but during the same time frame, the region issued permits for 74 duplex structures and 59 structure with three or four units.

Housing Demand Analysis

Real Estate Trends

Over the last five years, real estate trends show an uptick in the median price and number of units sold and a decrease in average days on the market. These data point to a significant increase in demand. Short term impacts due to the coronavirus indicate an overall pause on the market, but national real estate outlets predict the market bouncing back by 2022.

New construction in the region has been mostly for single-family homes, 93% of all permits issued between 2008 and 2018. However, we do see some market response to the need for senior living, apartments (both market-rate and fixed income), and entry-level single-family homes and townhouses with new developments recently approved or in the development pipeline. While the market is responding to some pent-up demand, data indicate additional needed housing.

Many localities and local real estate agents in the region agree there is an overall lack of supply in the housing market. Some localities need more supply of specific types of housing, namely that which is more affordable and of higher density. Other localities stress the need for senior housing, particularly apartments and single-story units that are accessible to the changing mobility needs of an older population, and with less overall home maintenance. Additionally, many localities point to the need for housing for those people whose job is uniquely tied to the community: e.g. teachers, hospital workers, local government workers, and police officers.

Population Growth

Based on population projections by the Weldon Cooper Center for Public Service at the University of Virginia, if housing for the anticipated population growth were created, it would increase the housing stock in the region by 20% in 20 years. Looking out to 2024, there is a projected 5% increase in the total population throughout the region. With flat to slightly negative growth in Madison and Rappahannock Counties, the demand from population growth is concentrated in Culpeper, Fauquier, and Orange Counties. By age, there is the most future demand for those aged over 75, 65-74, and 35-44. This points to both a need for a range of senior housing options throughout the region and a transfer of housing from an older age cohort to a younger one.

Affordability

A housing unit is generally considered affordable if the household is spending no more than 30% of its gross household income on a mortgage, taxes, and insurance; more than 30% we consider a household being cost burdened. Across the region, 41% of renters and 30% of homeowners pay more than 30% of their income on housing. Given the most recent home sale data, with a median-priced home of $368,000 in the region, a household would need to make $81,700 annually to prevent it from being cost burdened. However, for resident workers, we calculated household income at $64,900, an approximate $17,000 annual income deficit. In all counties, there is an income deficit to afford a median-priced home. Households would need to earn $11,000 to $22,000 more depending on where you are in the region.

Mortgage Income Deficit: Median Home Price vs. Household Income						
	Culpeper County	Fauquier County	Madison County	Orange County	Rappahannock County	RRRC Region
Median Price of Home*	$349,000	$440,000	$300,000	$272,000	$310,000	$368,000
Down Payment of 10%	$34,900	$44,000	$30,000	$27,200	$31,000	$36,800
Loan Amount	$314,100	$396,000	$270,000	$244,800	$279,000	$331,200
Average Mtg Payment, 30 Years at 3.5% with Additional Costs**	$1,943	$2,188	$1,687	$1,541	$1,740	$2,042
Household Income Threshold	$77,720	$87,520	$67,480	$61,640	$69,600	$81,680
Resident Household Income	$66,034	$76,873	$48,729	$49,681	$47,975	$64,911
Income Deficit	**-$11,686**	**-$10,647**	**-$18,751**	**-$11,959**	**-$21,625**	**-$16,769**

** Median home sales in the region for Q2 2020.*

***Average Mortgage Payment includes private mortgage insurance, taxes, and insurance, for comparable priced houses within each region.*

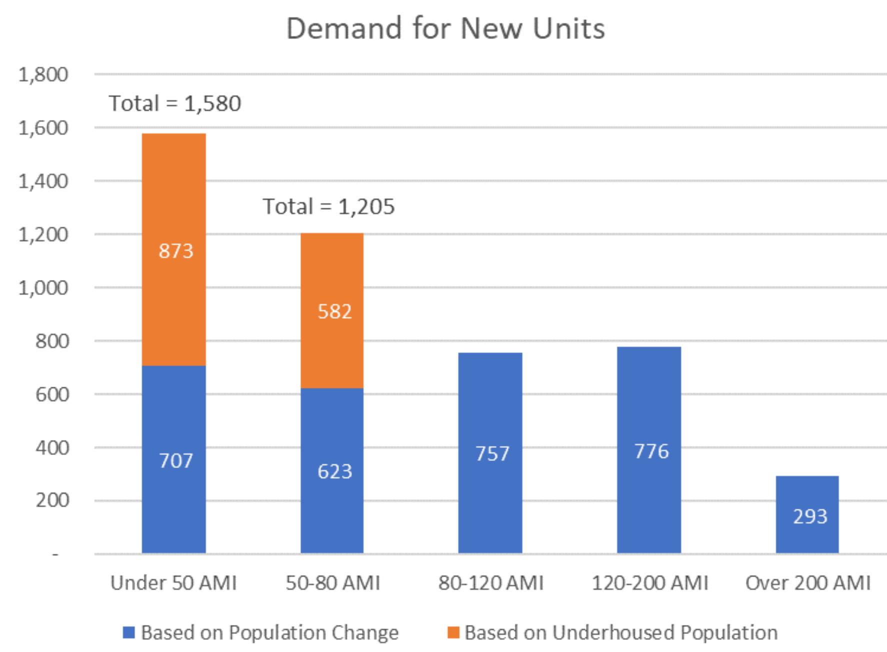
Source: Emsi, Zillow, Greater Piedmont Realtors, Gale Harvey Real Estate, Camoin 310

Housing Demand

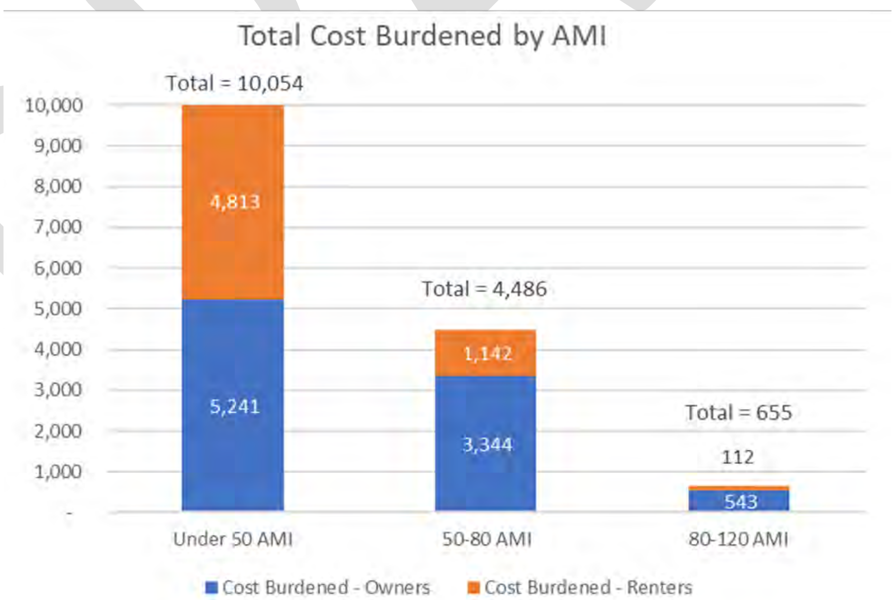
Overall, there is a projected pent-up demand for approximately 4,600 housing units region-wide; if realized this would increase the housing stock by 7%. We translated the demand from the population growth and the underhoused population[2] to Area Median Income (AMI) levels to align with potential funding opportunities and policy initiatives. This demand will be best met through a combination of new residential construction as well as rehabilitation and renovation of existing housing units in need of modernization. In

[2] The underhoused population is defined as those aged 18-34 who are living with roommates, parents, or other relatives. We conservatively estimate small proportion of this population (5-10%) would prefer to live on their own or with a partner or spouse if it were available.

addition, it is important to keep existing affordable housing as such, given the limited availability throughout the region.



In addition to a demand for new units, there are approximately 15,000 households in the region that are cost burdened. Forty-one percent of renters and 19% of homeowners pay more than 30% of their income on housing. This represents 24% of the region's households and about 15,000 units of housing.



Zoning Ordinance Review

We reviewed zoning codes in each of the region's five counties and the Towns of Culpeper, Orange, and Warrenton. We review them for the following best practices that encourage attainable housing: inclusionary zoning, incentives and bonuses, allowing for flexibility or minimum restrictions, fee waivers and tax exemptions, priority to attainable housing developments, overlay zoning to reduce square footage and increase attainable units, and including a variety of resident types within the code. We also examined zoning codes within these localities that may hinder the attainable development of housing, including minimum buildable lot size, density requirements, setbacks, parking requirements, and open space requirements.

All localities offer a variety of resident land uses to accommodate various residential housing types. Five out of the eight localities in the region offer overlay zoning districts and four localities offer incentives and bonuses, particularly density bonuses which offer an increase in the overall number of units a developer may build in exchange for including more affordable units in the project. Several localities are updating their zoning either through a comprehensive plan update or a zoning code overhaul. Within these drafts, additional flexibility for attainable housing is proposed. Within the region, Fauquier County, the Town of Culpeper, and the Town of Warrenton provide the most amenable zoning practices to encourage attainable housing.

All localities examined have minimum buildable lot sizes, density requirements, setbacks, parting requirements, and open space requirements. A more thorough investigation will be needed to understand how, if at all, this is impacting the affordability of housing units in the region. A start to examining current practices will be to understand how the comprehensive plan within each locality is driving the zoning code language, a process that is currently happening in several localities.

Strategy Recommendations

Our recommendations provide a framework to engage the findings of this study to meaningfully create the programs and structures needed to house programs and facilitate projects to mitigate and fulfill the housing needs in the region. Based on preceding findings and stakeholder interviews, strategies were formulated around four goals:

1. INCREASE AND PRESERVE THE SUPPLY OF ATTAINABLE HOUSING
2. ADDRESS PERCEPTIONS OF GROWTH AND ATTAINABLE HOUSING
3. ADDRESS MAINTENANCE NEEDS AND ALLEVIATE SUBSTANDARD HOUSING STOCK
4. EXAMINE AND ADAPT EXISTING LAND USE PROTOCOLS

It is important to stress that the housing attainability challenge in the Rappahannock-Rapidan Region has many factors, including land growth patterns identified in each town or county, the impact of NoVa commuters with much higher than local wages, the current impact of the housing market, the aging community, wages, and potentially developable land conserved through environmental easements. It is also important to note that housing affordability is a struggle that is not limited to this area, it is a nation-wide issue and lessons can be learned from those trying innovative techniques. This is a complex issue and there is no "silver bullet."

Above all else, the region needs to increase its internal capacity to systematically improve and increase the housing stock. We recognize this work will take a coordinated effort between agencies, developers, County and Town offices, and nonprofit entities. Therefore, a significant portion of these strategies focuses on creating the systems needed to increase and improve the region's housing stock. Through this coordinated effort, the localities and its partners can create programs that work to drive up and improve housing units in the region.

MOVING FORWARD

In creating the Strategy Recommendations, we grouped strategies and actions under each overarching goal. These are included below. Also included are case studies and additional resources that will facilitate strategy implementation.

Goals & Strategies

1. INCREASE AND PRESERVE THE SUPPLY OF ATTAINABLE HOUSING

Lack of housing in the region causes stagnation and prevention of a natural turnover within the housing market. It reduces the ability for seniors to move into a home with lower maintenance and prevents first time home buyers from acquiring a home. It also prevents those who work in the region from also living here. Rentals are consistently challenging to find at attainable rates, and even more so for the homeless population. Goal 4, *Examine and Adapt Existing Land Use Protocols*, address this within a more regulatory framework.

1.1. Preserve current attainable units.

- 1.1.1. Enact a regional "Right of First Refusal" policy to ensure a qualified nonprofit developer, a government agency, or the development's tenant association can purchase a multifamily rental housing property currently if and when the owner decides to sell the property.[3]
- 1.1.2. Create an inventory of affordable multifamily rentals that can be used to track and prevent the loss of these properties. Utilize the Affordable Housing Availability list (https://affordablehousingonline.com/advocacy/Virginia) to understand the number of housing units available through federal programs and the Low Income Housing Tax Credits (LIHTC) Database found (https://lihtc.huduser.gov/).

Partners

- Property Owners & Managers
- Local Realtors
- Virginia Housing (formerly VHDA)

Timeframe

Short Term (1-3 Years)

Target Localities

[3] Right of First Refusal (ROFR) is a contractual right in Virginia and requires the owner of a property to offer it to the person or company entitled to the right of first refusal. We recommend utilizing legal council to fully understand the parameters of establishing such a policy within a particular locality or service organization.

Case Study: Right of First Refusal Regulations, Prince George' County, MD

Prince George' County, MD enacted legislation so they may buy multifamily rental facilities as a means of revitalization and preserve housing opportunities for low- to moderate-income households and in the County.

For more information: https://www.princegeorgescountymd.gov/DocumentCenter/View/16820/Right-of-First-Refusal-Regulations-rev11292016?bidId=

Case Study: Affordable Dwelling Units for Nonprofits, Loudoun County, VA

Offers a process for qualified nonprofit organizations to purchase an Affordable Dwelling Unit (ADU) home. Nonprofits must be approved by the County and apply for qualification every three years.

For more information: https://www.loudoun.gov/4062/Affordable-Dwelling-Units-for-Nonprofits

1.2. Encourage more senior housing.

1.2.1. Encourage universal design principles in all new construction so it can be habitable to everyone, including seniors.
1.2.2. Establish a "Golden Girls" cohousing program where seniors rent out rooms to other seniors.
1.2.3. Consider tax credits to developers of senior living facilities, in particular models supported by the individual locality.[4]

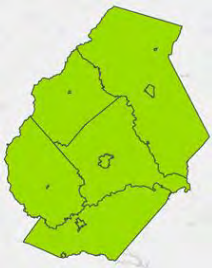
Partners

- Area Housing Nonprofits
- Senior Service Organizations
- Developers
- PATH Foundation

Timeframe

Mid Term
(3-5 Years)

Target Localities



Case Study: Tax Relief and Exemption Program, Virginia Beach, VA

This program provides real estate tax exemption and/or freeze for persons 65 years of age and older, 100% permanently disabled, and others.

For more information: https://www.vbgov.com/government/departments/commissioner-of-the-revenue/Tax%20Relief/Documents/COR%20Program%20Requirements.pdf

[4] Housing and community development tax credits available in the Commonwealth can be found here: https://www.tax.virginia.gov/housing-and-community-development-tax-credits

Case Study: Rehabilitation Tax Exemption Program, Hanover County, VA
The purpose of the program for certain rehabilitated residential, industrial, and commercial real estate is to encourage and provide incentives to Hanover County property owners to invest in improvements to existing structures. The tax exemption incentives are available for residential, commercial, and industrial use properties.
For more information: https://www.hanovervirginia.com/locate-your-business/incentives-financing/

1.3. Increase the number of attainable units throughout the region.

1.3.1. Inventory abandoned or underused buildings that can be repurposed for attainable housing. Investigate acquisition by local municipal agencies to eventually transfer to a rental developer, lowering the cost of entry.

1.3.2. Establish Incentive Housing Zones (IHZ) that offer exceptions to regulations that restrict higher-density, mixed-use developments. Developers build high capacity and/or mixed-use developments in the IHZ on the condition that they provide a public improvement in the development i.e., public recreation space, sidewalks, streetscaping, etc.

1.3.3. Allow current owner-occupied single-family homes to convert their home to a duplex, triplex, or fourplex in certain single-family zoned areas. Determine if, upon selling the property, it needs to maintain owner-occupied status.

1.3.4. Consider allowing Single Room Occupancy and Rooming House land use designations and removing restrictions that set firm maximum occupancy and parking requirements.

1.3.5. Work to create a community land trust to decrease the cost of homeownership and keep units in perpetual affordability.

Partners

- Fauquier County Habitat for Humanity
- Skyline Community Action Partnership
- People Incorporated
- Local Realtors
- Virginia Community Development Corporation (VCDC)
- Virginia Department of Housing and Community Development
- Virginia Housing

Timeframe

Long Term
(5+ Years)

Target Localities

Case Study: Rental Subsidy Grant & Loan Program, City of Alexandria, VA
The City of Alexandria approved a grant of $250,000 to make 10 units "deeply affordable" and a loan of up to $7.1 million to help with the construction of affordable rental housing on the Carpenter's Shelter project. City Council has approved several other grants and loans to facilitate other projects throughout the city.
For more information: https://www.alexandriava.gov/housing/info/default.aspx?id=74589

2. ADDRESS PERCEPTIONS OF GROWTH AND ATTAINABLE HOUSING

Some localities revealed that housing development is a "hot button" political issue in their communities. This stems in part from a perception that certain types of housing, particularly that which meets the needs of lower-income households, are undesirable in their community. Understanding why a range of housing types is necessary throughout the region to allow for community vitality, workforce readiness, economic mobility, and industry attraction, will be important moving forward. Growth can be limited to both preserve the character of a community and also encouraged to meet the housing needs of its constituents.

2.1. Create a marketing program/communications plan to address housing perceptions.

2.1.1. Create a short video that highlights the housing issue in the region and why a diversity of housing is needed for a vibrant and sustainable community. Replicate this video in presentation form for internet distribution and present to various town and county boards, service providers, and community groups that may be potential adversaries of attainable and/or multifamily developments. Tailor each presentation with clear action steps for the group presented to.

2.1.2. Highlight completed multifamily projects and how they are working to address housing issues. Publish in local newspapers, online, locality, and service-based newsletters, etc.

2.1.3. Create a landing page on the RRRC website that houses information compiled in action 2.1.1 and 2.1.2.

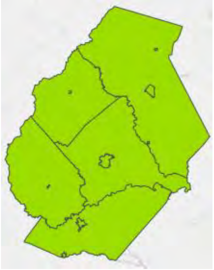
Partners

- Local Media Outlets
- RRRC
- Developers
- Virginia Housing Community Outreach

Timeframe

Short Term
(1-3 Years)

Target Localities



Case Study: The Northern Virginia Affordable Housing Alliance
The Northern Virginia Affordable Housing Alliance works to educate communities about the benefits of affordable housing in their region. Through collaboration with community-based organizations, affordable housing developers, financial institutions, policy experts, and faith communities, they help build local political will for public policies and adequate resources to create equitable, diverse, affordable communities.
For more information: https://nvaha.org/

2.2. To ensure this strategy is marketed well throughout the region, create or appoint a regional spokesperson or advocacy group.

2.2.1. Implement actions outlined in 2.1.

2.2.2. Convene housing advocates, public officials, and other housing stakeholders to communicate needs, clarify town and county boards' roles, and facilitate discussions between housing stakeholders.

2.2.3. Talk to developers regularly regarding pipeline projects, barriers to development, and to clarify what type of development is being prioritized throughout the region (as seen in locality comprehensive plans).

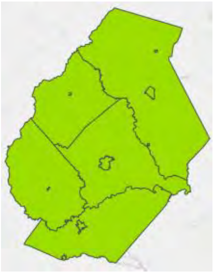
Partners

- Local Media Outlets
- RRRC
- Area Nonprofits & Service Organizations
- Surrounding Localities

Timeframe

Short Term
(1-3 Years)

Target Localities



Case Study: Regional Housing Partnership, Thomas Jefferson Planning District Commission
The Regional Housing Partnership (RHP) serves as an official advisory board, in partnership with the public, private, nonprofit, and citizen stakeholders related to housing. RHP will focus its efforts within the region, with a focus on housing production, diversity, accessibility, cost, location, design, and increasing stability for the region's residents.
For more information: https://tjpdc.org/housing/regional-housing-partnership/

3. ADDRESS MAINTENANCE NEEDS AND ALLEVIATE SUBSTANDARD HOUSING STOCK

Both rentals and owned homes were cited as having issues regarding maintenance, from exterior cosmetic issues impacting curb appeal to functional issues compromising safety. Some of the housing in need of repair is located in town centers, but most were identified as being in more rural parts of the region. The extent to which this portion of the housing stock can be updated will preserve a segment of the supply for current and future utilization.

3.1. Assist existing efforts to alleviate maintenance issues.

3.1.1. Inventory existing efforts throughout the region and establish a central clearinghouse of information.

3.1.2. Promote these programs in line with action 2.2.

3.1.3. Encourage collaboration among service providers. Look for work that can be passed through/between organizations and identify if funding may be available.

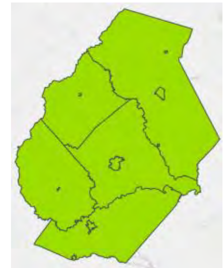
Partners

- Fauquier County Habitat for Humanity
- Foothills Housing Corporation
- Skyline Community Action Partnership
- People Incorporated
- Other Property Management Companies
- Other Area Nonprofits & Service Organizations

Timeframe

Short Term
(1-3 Years)

Target Localities



3.2. Identify housing not up to code, and work cooperatively with owners to bring properties into compliance.

3.2.1. Conduct windshield surveys, rely on resident input, or conduct more formal inspections.

3.2.2. Rather than make this process punitive, provide resources to the owner and educate them about healthy housing.

3.2.3. Educate renters about their rights regarding substandard housing or maintenance needs.

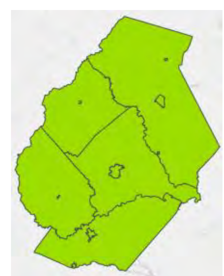
Partners

- Fauquier County Habitat for Humanity
- Foothills Housing Corporation
- Skyline Community Action Partnership
- People Incorporated
- Other Area Nonprofits & Service Organizations

Timeframe

Mid Term
(3-5 Years)

Target Localities



Case Study: Community Code Compliance Team, Lynchburg, VA
The purpose of the Community Code Compliance Team is to develop and implement a proactive, coordinated, and focused long-term strategy to improve living conditions through consistent code compliance.
For more information: https://www.lynchburgva.gov/communitycodecompliance

3.3. Identify additional innovative methods to address substandard housing stock.

3.3.1. Contact major employers, fraternal clubs, service organizations, etc. and link with community members identified in 3.2. Highlight activities as seen in action 2.1.2.

3.3.2. Investigate resources for energy efficiency programs.

3.3.3. If a house is beyond repair, enact a program to relocate tenants and demolish and remove the structure from the housing stock.

3.3.4. Expand Utilization of USDA-RD 504 Rehabilitation Program, which provides resources for housing rehab in rural communities.

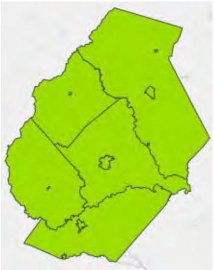
Partners

- Major Employers
- Fauquier County Habitat for Humanity
- Foothills Housing Corporation
- Skyline Community Action Partnership
- People Incorporated
- Other Area Nonprofits
- USDA Rural Development

Timeframe

Long Term
(5+ Years)

Target Localities



Case Study: Affordable Multi-Family Housing Loan Program, Loudoun County, VA
Provides financing from the Board of appropriations from the County of Loudoun Housing Trust. Eligible uses include Construction of affordable multi-family rental units; Real estate acquisition directly linked to the preservation, construction, or rehabilitation/renovation of affordable multi-family rental units; and Rehabilitation/Renovation of multi-family rental affordable units.
For more information: https://www.loudoun.gov/4998/Affordable-Housing-Funding-Availability

Case Study: Project-Based Vouchers, Loudoun County, VA
Working with the Loudoun County Department of Family Services, rental property owners can submit proposals for assistance for new or rehabilitated rental housing for persons with disabilities that are 504 compliant.
For more information: https://www.loudoun.gov/3318/Project-Based-Vouchers

4. EXAMINE AND ADAPT EXISTING LAND USE PROTOCOLS

How land is currently being used has created some issues that restrict the housing market to develop to its full potential. A significant proportion of the land in the region is prohibited from development via environmental easements or national park designations. Minimum required large lot sizes also hinder growth. While exploring changing these uses will likely not result in increasing the supply of land, efforts can be made to explore expanding designated growth areas, zoning around infill development, annexing additional areas into sewer and water districts, etc. These intentions can be addressed in localities' forthcoming updates to their comprehensive plans with preference to their approach.

4.1. Examine existing land use protocols.

4.1.1. Conduct a community engagement protocol/visioning charrette to understand community needs around housing and gather input regarding what types of denser housing would be accepted.

4.1.2. Consider strategizing with a housing advocacy group/spokesperson for community outreach (action 2.2).

4.1.3. Create a values/vision statement to drive future land use updates.

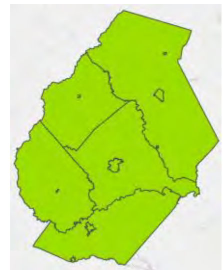
Partners

- Surrounding Localities
- Virginia Housing
- Planning Consultant

Timeframe

Short Term
(1-3 Years)

Target Localities



Case Study: Partnership Housing Affordability (PHA), Richmond, VA
PHA began engaging with communities across the region to better understand their housing challenges in the summer of 2019. From listening sessions at churches to conversations with young professionals, input was gathered to reflect the wide spectrum of housing needs. After months of outreach, they were able to reach over 1,900 people in the Richmond Region. Their vital input has helped to inform the goals, solutions, and priorities.
For more information: https://pharva.com/framework/publicoutreachsummary/#public-outreach-summary

4.2. Update or create a housing chapter in comprehensive plans to accommodate the new vision.

4.2.1. Citing findings from this report and input received via community engagement, outline methods for modifying land use protocols to address housing needs.

4.2.2. Create a housing chapter that aligns with the particular needs of the locality in question. Consider elements from strategy 4.4.

4.2.3. Ensure chapter has language to advocate – however generally – that a diverse stock of housing is important in economic development and community vitality.

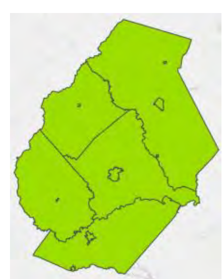
Partners

- Surrounding Localities
- Virginia Housing
- Planning Consultant

Timeframe

Short Term
(1-3 Years)

Target Localities

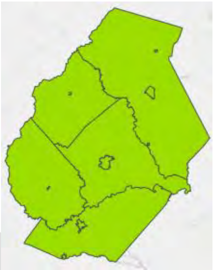


4.3. Align zoning with a comprehensive plan update.

4.3.1. Appoint a task force to direct implementation efforts outlined in the housing chapter.

4.3.2. Where overlap exists between multiple localities, consider combining resources to create efficiencies.

4.3.3. Celebrate successes and further community education by highlighting and promoting the implementation of elements of the housing chapter.

Partners	Timeframe	Target Localities
• Surrounding Localities • Virginia Housing	Short Term (1-3 Years)	

4.4. Consider additional housing policies/practices for facilitating attainable housing.

4.4.1. Allow combined meters for multifamily units thus reducing tap fees.

4.4.2. Where buildable land is at a minimum, explore annexing for multifamily and/or age restrictive housing.

4.4.3. Modify Urban Development Areas (UDAs) and/or service districts to accommodate additional housing development.

4.4.4. Conduct an audit of build processes to ensure they are meeting the needs of developers and are easy to use.

4.4.5. Allow auxiliary dwelling units (ADUs) in all residentially zoned land.

4.4.6. Evaluate land zoned commercial and industrial for the potential to convert to mixed-use or high-density residential.

4.4.7. As appropriate, explore potential housing solutions for educational purposes, like form-based coding.

Partners	Timeframe	Target Localities
• Surrounding Localities • Virginia Housing	Long Term (5+ Years)	

Case Study: Land Use Program, Hanover County, VA

For those landowners utilizing the statewide Land Use Program (where agricultural land's assessed value is determined not by market value but by use value) and have land within the Suburban Services Area, the property owner can rezone to another use without immediately leaving the land use taxation program. Where previously a use change would immediately trigger the payment of deferred taxes, this program allows five years of real estate taxes (and accrued interest) to be deferred until a building permit is issued or the physical property is modified. While in Hannover County this applies to transfer to commercial and industrial uses, it could be modified in the Rappahannock-Rapidan region to pertain to housing.

For more information: https://www.hanovervirginia.com/locate-your-business/incentives-financing/

Enabling Legislation

Enabling legislation in its simplest form a piece of legislation that gives power to identified agencies, governments, or other bodies as outlined in that legislation. It should be noted that land use jurisdiction is provided to localities in Virginia by the state legislature via the Code of Virginia. The Code of Virginia outlines what authority the localities have, and this may impact the implementation of some of the aforementioned strategies. This does not mean the strategies and tactics are irrelevant; rather, it may mean an advocacy role for increased authority from the Commonwealth. In addition, this enabling legislation may be less relevant where programs are coordinated and established by other entities, such as nonprofit service organizations.

Locations of Future Growth

Understanding how the region has planned for future growth will help direct strategies to particular areas. The regional vision for land use within Planning District 9 is to create a "hard edge" of growth between urban and rural places, with urban areas confined to major arteries and near towns. In the regional vision, it is deemed important that the rural character be preserved; thus, tools should be employed to assist to protect the area's natural resources.[5]

To understand where additional housing can be located, we turn to locality comprehensive plans and other planning documents that identify future areas for growth. Per the Code of Virginia § 15.2-2223.D, comprehensive plans are required to "include the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing, which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated."

Fauquier County

With eight urban growth areas or "service districts," Fauquier County is currently serving or plans to serve these areas with sewer and water in addition to a range of services such as schools, fire and rescue, libraries, and parks. Currently, their 2018 adopted Service District Plan states, "There is a range of scale of planned development from the primarily non-residentially focused districts of Opal and Midland, to a village-scale mix of uses in Catlett, up to the more intensely planned remaining districts."[6]

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[5] *A Regional Vision for the Counties and Towns of Culpeper, Fauquier, Madison, Orange, and Rappahannock Counties,* https://cms9files.revize.com/rappahannock//Document_Center/Publications/Other/regional_vision.pdf
[6] https://www.fauquiercounty.gov/home/showdocument?id=7194

Town of Warrenton

The Town of Warrenton is currently updating their comprehensive plan, and in March of 2018 established four areas for future growth. As a high growth locality, these Urban Growth Areas (UDAs) will add 1,070 developable acres.[7]

Culpeper County

The principal areas of residential concentration include several areas around the Town of Culpeper and Clevenger's Corner in the northern part of the county. The area around the Town will be defined by establishing an 'urban services boundary'. The urban services boundary is intended to create an edge beyond which utilities are not expected to extend.[8]

Town of Culpeper

In its 2018 amended comprehensive plan, the Town of Culpeper outlines six areas for future growth totaling 914 acres. Each area has its own characteristics and can contribute to a variety residential development types.[9]

Madison County

There are no regional networks or urban development areas within Madison County. However, Route 29 (The Corridor) has been identified as an economic growth area, as well as along other primary roads. Areas along Route 29 have also been identified as suitable for residential growth districts that align with the provision of public water and sewer services. It is possible that up-zoning may need to occur for higher-density housing, but no particular areas were identified.[10]

Orange County

Future growth in Orange County is largely relegated to the Germanna-Wilderness Area (GWA), an area consisting of 14,600 acres in the northeast corner of the county. The GWA will have more urban and concentrated development patterns. By coordinating development in this area, with proximity to the employment centers of Fredericksburg, Culpeper, and Northern Virginia, the rural character of the remainder of the county will be maintained.[11]

Rappahannock County

The unincorporated villages of Amissville, Chester Gap, Flint Hill, Sperryville, and Woodville are the anticipated areas for growth in the next five to ten years in Rappahannock County. This may include some medium density and/or age restrictive housing that can occur without rezoning. Low density residential development will be relegated to the conservation and agricultural areas.[12]

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[7] https://cms.revize.com/revize/warrenton/Town%20of%20Warrenton%20UDA%20Language%2002122018%20(2).pdf
[8] https://web.culpepercounty.gov/Government/DepartmentsP-V/PlanningandZoning/DRAFT2020ComprehensivePlan
[9] https://www.culpeperva.gov/Documents/CompPlan_2_26_18.pdf
[10] https://www.madisonco.virginia.gov/sites/default/files/fileattachments/county_administration/page/361/2018_compre hensive_plan_-_approved_february_7_2018.pdf
[11] http://orangecountyva.gov/DocumentCenter/View/1442/2013-Comprehensive-Plan---BOS-amended-5-8-18?bidId=
[12] http://rappahannockcountyva.gov/documents/200819%20Rappahannock%20County%20Amended%20Comprehensive%20Plan%20Approved%20by%20Planning%20Commission.pdf

Conclusion

Identified growth areas are mapped on the following page. This illustrates concentrated future growth along the Route 29 corridor heading south from the Town of Culpeper and heading north on Routes 15 and 28. Within Orange County, we see planned growth in the GWA area in the northeast corner of the county and the corridor along Route 15 from the Town of Orange to the Town of Gordonsville. Another major growth area is around the Town of Warrenton extending around the Town borders and northeast along Route 15. Additional areas include the northernmost part of Culpeper County, sections around the Town of Culpeper, an area along Route 66 in Fauquier County due west of the Town of The Plains, and a small section south of the Town of Washington along Route 522. The map on page 25 further illustrates how future growth may be constrained due to the amount of conservation lands in the region, particularly in Fauquier County, where development pressure is greatest.

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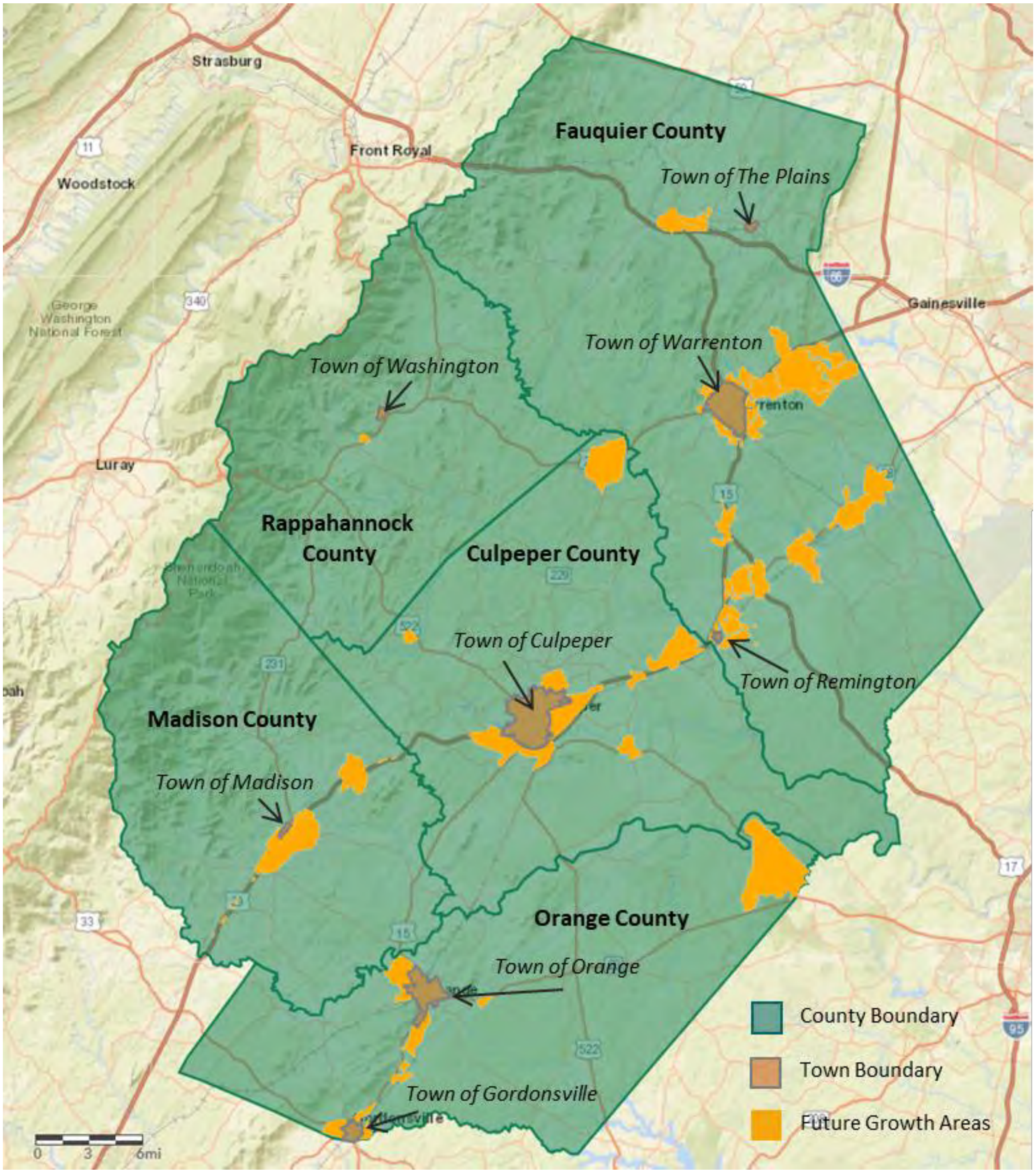
Areas of Future Growth, RRRC Region



Source: RRRC, Camoin 310

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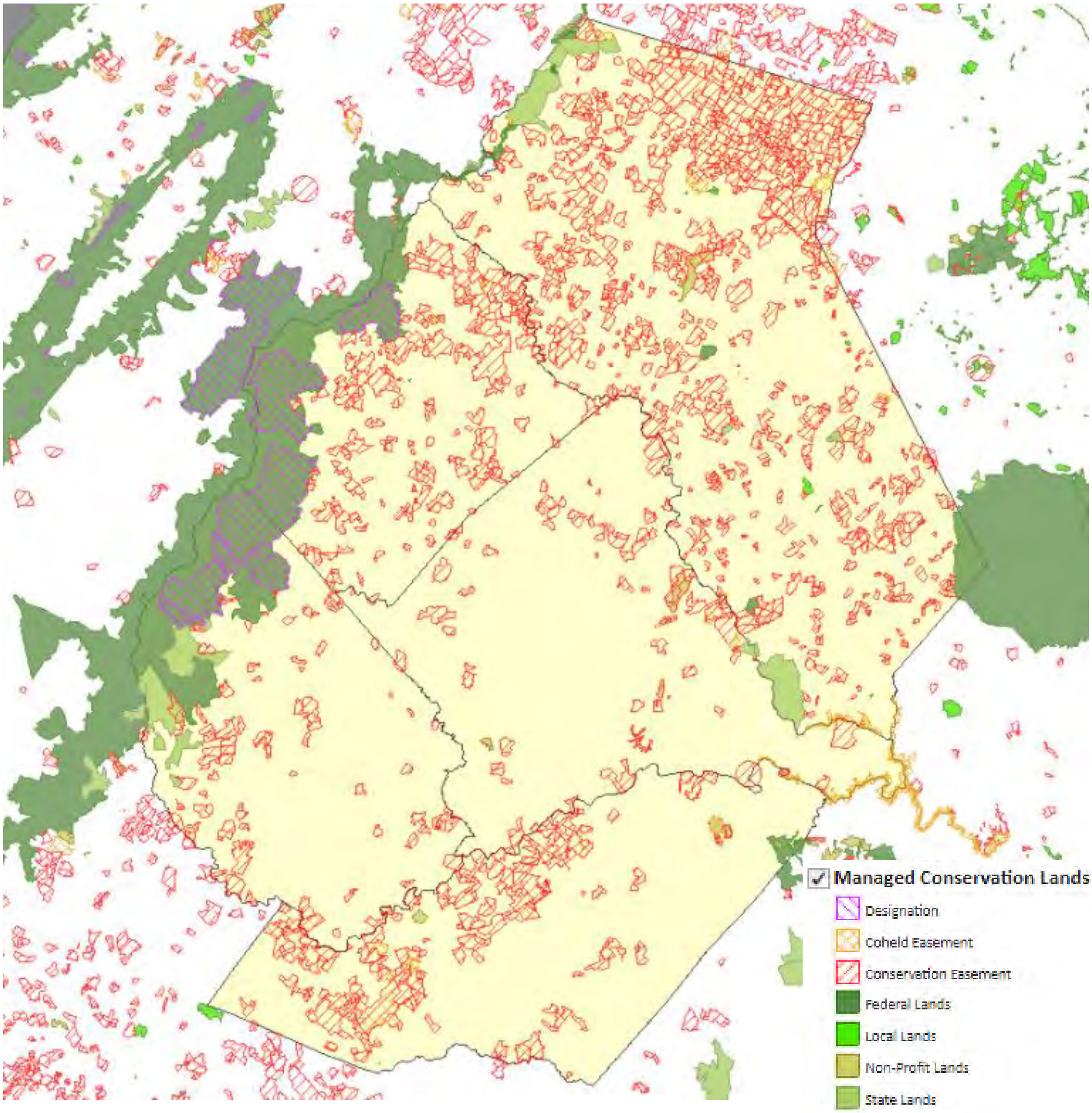
Conservation Areas, RRRC Region



Source: Virginia Department of Conservation and Recreation, Managed Conservation Lands Map

Appendix A: Baseline Data Analysis (link)

Appendix B: Housing Demand Analysis (link)

Appendix C: Zoning Ordinance Review (link)

Appendix D: Strategy Matrix (link)

Appendix E: Funding Sources

The following list is comprised of state, federal and philanthropic resources that can help communities develop a range of housing units. All programs will need to be verified during development consideration, as many funding streams are frequently changing based on market needs and government budgets.

VIRGINIA HOUSING

Each year, Virginia Housing reinvests a portion of our net revenues into Virginia's communities through REACH Virginia (Resources Enabling Affordable Community Housing in Virginia). This is a multifaceted resource that Virginia Housing uses to support vital housing initiatives through our Homeownership, Rental and Community Outreach programs, including: affordable housing for lower-income households, the homeless and residents of high growth and/or high cost regions; accessible housing for seniors and people with disabilities; and, revitalization of older urban areas and preservation of small towns.[13]

Workforce Housing Loan Program: The Workforce Housing program requires that a percentage of units must be reserved for residents whose annual income does not exceed certain limits. If the property includes any commercial/retail space, then the property must be located in a designated revitalization area. All Workforce Housing loans can be used to finance a property with or without a commercial/retail component.[14]

A list of other Virginia Housing other programs geared to Virginians who otherwise might not be able to afford quality housing can be found here: https://www.vhda.com/Programs/Pages/Programs.aspx.

THE VIRGINIA LIVABLE HOME TAX CREDIT (LHTC)

The Virginia Livable Home Tax Credit (LHTC) program is designed to improve accessibility and universal visibility in Virginia's residential units by providing state tax credits for the purchase of new units or the retrofitting of existing housing units. Tax credits are available for up to $5,000 for the purchase/construction of a new accessible residence and up to 50 percent for the cost of retrofitting existing units, not to exceed $5,000. For more information: https://www.dhcd.virginia.gov/lhtc.

THE VIRGINIA HOUSING TRUST FUND (VHTF)

The Virginia Housing Trust Fund (VHTF) creates and preserves affordable housing and reduces homelessness in the Commonwealth. The VHTF approach addresses housing issues in varied and creative methods for a variety of populations, including:

- Families and individuals who cannot afford decent, safe housing;
- Disabled persons needing accessible housing in addition to supportive services;
- Homeless persons struggling with mental health and other issues.

For more information: https://www.dhcd.virginia.gov/vhtf.

LOW INCOME HOUSING TAX CREDITS (LIHTC)

The federal Low-Income Housing Tax Credit (LIHTC) program is sponsored by the U.S. Treasury Department and authorized under Section 42 of the IRS Code of 1986. The program, administered in Virginia by Virginia Housing, encourages the development of affordable rental housing by providing owners a federal income tax credit. It also provides incentive for private investors to participate in the construction and rehabilitation of housing for low-income families. For more information:

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[13] https://www.vhda.com/BusinessPartners/GovandNon-Profits/CommunityOutreach/Pages/Community-Outreach.aspx

[14] vhda.com/BusinessPartners/MFDevelopers/Pages/Workforce-Housing.aspx

https://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/Pages/LIHTCProgram.aspx.

HOME INVESTMENT PARTNERSHIPS

A Federal program established by Congress in 1990 that is designed to increasing decent affordable housing for low- and very low-income families and individuals. State and localities receive HOME fund from HUD each year and spend it on things such as: rental assistance, assistance to homebuyers, new construction, rehabilitation, improvements, demolition, relocation, and administrative costs. For more information, see this site: https://www.hudexchange.info/grantees/virginia/?program=7.

COMMUNITY DEVELOPMENT BLOCK GRANT (CBDG)

A federal program established as part of the Housing and Community Development Act of 1974. It funds various community development activities for neighborhood revitalization, economic development, affordable housing, and better community facilities and services. More information can be found here: https://www.dhcd.virginia.gov/cdbg-planning-grants.

SPECIALIZED TENANT-BASED RENTAL ASSISTANCE

Other tenant-based rental assistance programs use housing choice vouchers to serve populations with specific needs, and are much smaller than the mainstream voucher program. The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, for example, is jointly administered by HUD and the Department of Veterans Affairs (VA), and combines housing choice voucher rental assistance with supportive services delivered by the VA to provide stable housing for veterans experiencing homelessness. Another specialized tenant-based rental assistance program – the Family Unification Program (FUP) – provides housing choice vouchers to families for whom the voucher will help prevent or end a child's placement in out-of-home care due to housing instability or inadequate conditions. For more information: https://www.novahss.org/housing-tool-kit/using-tenant-based-rental-assistance.

PROJECT-BASED RENTAL ASSISTANCE PROGRAMS – SECTION 8

Federal project-based rental assistance is provided primarily through HUD's Section 8 Project-Based Rental Assistance program, which assists more than 2 million people in approximately 1.2 million households. The program is implemented by private owners of multifamily rental housing through Housing Assistance Payment contracts. Because the assistance stays attached to the unit, project-based rental assistance can be a particularly effective tool for creating and preserving affordable housing in high-cost or gentrifying areas. For more information: https://www.hud.gov/states/virginia/renting.

NATIONAL HOUSING TRUST FUND

The National Housing Trust Fund is a HUD-administered block grant program intended to serve very low-income and extremely low-income households, including families experiencing homelessness. Funds are allocated to a designated state agency (typically the housing finance authority or state department of housing) using a formula that accounts for housing needs among these eligible income groups, and awards are intended primarily for use in supporting the creation, rehabilitation, preservation, or operation of rental housing for the lowest-income households. The state agencies then determine which projects to fund. All assisted units must remain affordable for at least 30 years. For more information: https://nlihc.org/explore-issues/projects-campaigns/national-housing-trust-fund.

CAPITAL MAGNET FUND

The Capital Magnet Fund is a competitive grant program administered by the Treasury Department. Community Development Financial Institutions (CDFIs) and qualified nonprofit housing organizations are eligible to compete for program funds, which may be used to finance housing for low- and moderate-income households (at least 70 percent of a grantee's award) and for related economic development and community service facilities. For more information: https://www.cdfifund.gov/programs-training/Programs/cmf/Pages/default.aspx.

RURAL HOUSING SERVICE PROGRAMS

The USDA's Rural Housing Service offers single-family and multifamily housing programs to support a variety of activities in rural areas. Single-family programs help low- and moderate-income residents of rural cities, towns, and counties purchase homes and make home repairs, while multifamily programs provide support for acquisition-rehab and new construction, provision of related facilities and infrastructure, and project-based rental assistance. The high-cost cities, towns, and counties that are the primary audience for LocalHousingSolutions.org will generally not be eligible for Rural Housing Service programs and so these programs are not discussed here in greater detail. For more information: https://www.rd.usda.gov/va/.

PUBLIC HOUSING OPERATING FUNDS AND CAPITAL FUNDS

The public housing capital fund is intended to address properties' capital needs, and eligible activities include non-routine maintenance, measures to increase the safety and security of residents, development and reconfiguration of public housing units, modernization and physical work on public housing properties, and site improvements and demolition costs associated with modernization or development projects. The operating fund helps to make up the difference between residents' rent payments and the cost of day-to-day operations, including routine and preventative maintenance, staff salaries, and insurance. For more information: https://www.hud.gov/program_offices/public_indian_housing/programs/ph/capfund.

THE TD CHARITABLE FOUNDATION

This fund is dedicated to sustaining the well-being of the communities served by TD Bank in Connecticut, Delaware, Florida, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, and Washington, DC. The Foundation's 2020 Housing for Everyone grant competition focuses on "direct relief and supportive services for renters affected by COVID-19." Support will be provided for programs that provide access to safe, clean, physically accessible affordable rental housing units and needed wraparound services for families, individuals, the elderly, new Americans, veterans, the disabled, women, and youth. For more information: https://www.tdbank.com/corporate-responsibility/the-ready-commitment/funding-opportunities/

FHLBANKS

Since its inception in 1990, the FHLBanks have awarded more than $6.6 billion which have assisted in the purchase, construction or rehabilitation of more than 957,000 units of affordable housing. The FHLBanks' Affordable Housing Program (AHP) has become one of the most successful and valuable private sources of funding for the financing and building of affordable housing in the United States. In 2019, the FHLBanks made available more than $404.1 million in AHP subsidies to its members nationwide. FHLBank members access these subsidies through the AHP Competitive Application Program and the AHP Homeownership set-aside Program. More can be found here: https://fhlbanks.com/affordable-housing/.

In addition to the sources listed above, there are also traditional revenue generating streams available to municipal entities.

- Local Parking Tax Funds
- City Bond Funds
- Bank Loans
- Land Sales
- Tax Increment Financing (TIF)
- Redevelopment Bond Issue

Appendix F: Data Sources

PROPRIETARY DATA SOURCES

ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

ESRI BUSINESS ANALYST ONLINE (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.

PUBLIC DATA SOURCES

AMERICAN COMMUNITY SURVEY (ACS), U.S. CENSUS

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit http://www.census.gov/programs-surveys/acs/

LOCAL AREA UNEMPLOYMENT STATISTICS (LAUS), U.S. BUREAU OF LABOR STATISTICS (BLS)

The Local Area Unemployment Statistics (LAUS) program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is developed through U.S. Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. More information on LAUS can be found here: http://www.bls.gov/lau/lauov.htm

ONTHEMAP, U.S. CENSUS

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: http://onthemap.ces.census.gov/.

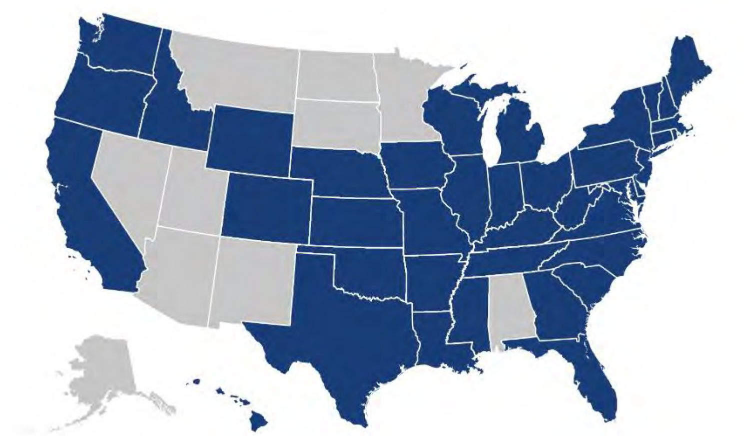
Appendix G: About Camoin 310

Camoin 310 has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin 310 has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of $6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 40 states and garnered attention from national media outlets including Marketplace (NPR), Forbes magazine, The New York Times and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at **www.camoinassociates.com**. You can also find us on Twitter **@camoinassociate** and on **Facebook**.

THE PROJECT TEAM

Dan Gundersen
Project Principal

Amie Collins
Project Manager & Analyst



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Rappahannock Rapidan Regional Commission
August 26, 2020 Regular Meeting
Electronic Meeting

MINUTES

	Culpeper County		**Town of Culpeper**
X	John Egertson		Chris Hively
	Tom Underwood	X	Meaghan E. Taylor, **Vice-Chair**
	Fauquier County		**Town of Gordonsville**
	Christopher T. Butler	X	Robert K. Coiner, **Chair**
X	Paul S. McCulla		**Town of Madison**
	Madison County	X	William Lamar
X	Jack Hobbs		**Town of Orange**
	Charlotte Hoffman	X	Martha Roby
	Orange County		Greg Woods, **Treasurer**
X	James P. Crozier		**Town of Remington**
X	Theodore Voorhees		Evan H. 'Skeet' Ashby
	Rappahannock County		**Town of The Plains**
X	Garrey W. Curry, Jr.		*Vacant*
	Christine Smith		**Town of Warrenton**
		X	Brandie Schaeffer
			Vacant
			Town of Washington
			Frederic Catlin

Others Present: Mayor Carter Nevill, Town of Warrenton
Staff Present: Michelle Edwards, Jennifer Little, Patrick Mauney, Terry Snead

1. **Call to Order**
Chairman Coiner called meeting to order and stated that due to the COVID-19 pandemic and associated State of Emergency, the meeting was being conducted electronically via Zoom and that audio and video of the proceedings were available on YouTube during and after the meeting.

2. **Electronic Meetings During Declared State of Emergency**
Chairman Coiner asked the Executive Director to review the guidelines for conducting the Commission meeting electronically. P Mauney reviewed the requirements, noting that the Commission will follow the guidance in §2.2-3708.2 of the Code of Virginia regarding electronic meetings when the Governor has declared a State of Emergency in accordance with §44-146.17 of the Code of Virginia.

3. **Roll Call & Quorum Determination**
Chairman Coiner shared that Commissioner Ashby from the Town of Remington was recovering from a recent hospitalization and offered the best wishes of the Commission to Mr. Ashby.

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A quorum of the Commission was confirmed.

4. Agenda Approval

Upon motion by M Roby, 2nd by J Crozier, the agenda was approved ayes all.

5. Public Comment

There were no comments from the public submitted prior to the meeting.

6. Approval of Minutes

a) June 24, 2020

Chairman Coiner presented the minutes from the June 24th RRRC meeting. After discussion, J Egertson moved to approve the June 24th minutes, 2nd by J Hobbs. The motion was approved ayes all.

7. Financial Reports

a) FY2020 Final Unaudited Revenues and Expenditures
b) FY2021 YTD Revenues and Expenditures
c) Financial Account Summaries

Chairman Coiner asked P Mauney to review the financial reports, noting that no action was required at today's meeting. P Mauney reviewed the unaudited FY 2020 revenues and expenses, noting that both were lower than budgeted amounts largely due to deferrals related to the COVID-19 pandemic and reimbursements that will be received in FY 2021. P Mauney also stated that the agency auditors – Dunham, Aukamp and Rhodes PLC – will be in the office on September 3rd.

P Mauney briefly reviewed the first month of FY 2021 financials and stated that both Culpeper and Fauquier counties have moved to quarterly appropriations in response to budget uncertainty, but that the Commission should not see any adverse impacts to its budget.

Finally, the twice yearly review of financial accounts was provided for the Commission's information.

8. Executive Director's Report

Chairman Coiner asked P Mauney to review the Director's report. P Mauney shared that Commission staff has received positive response from PATH regarding the transportation and mobility collaborative grant application submitted earlier this year and expect an award notification soon. P Mauney also noted recently submitted grant application for the CEDS planning process in coordination with Thomas Jefferson PDC and a kickoff meeting with the Virginia Department of Emergency Management for the wildfire analysis project.

P Mauney also briefly reviewed the status of the Regional Housing Study, indicating that he expected the consultant to have a presentation and draft study for the Commission at the October meeting.

9. New Business

a) Consideration of Resolution Supporting RRRC applications to Smart Scale Program

Chairman Coiner asked P Mauney to present item 12A, RRRC applications to Smart Scale. P Mauney reviewed three applications for projects from Fauquier County that were submitted via the Commission's Smart Scale account. P McCulla moved to approve the Resolution of Support, 2nd by J Crozier. The motion was approved by roll call vote.

Aye: Coiner, Crozier, Curry, Egertson, Hobbs, Lamar, McCulla, Roby, Schaeffer, Taylor, Voorhees, Woods (11); Nay: None; Abstain: None; Absent: Ashby, Butler, Catlin, Hively, Hoffman, Smith, Underwood, Woods (8)

b) Consideration of Resolution Supporting Local Government applications to Smart Scale Program

Chairman Coiner introduced item 12B and asked P Mauney to review the local government Smart Scale applications. P Mauney noted that projects on a designated Corridor of Statewide Significance require Commission support and that, historically, the Commission has included all projects submitted by local governments in this Resolution.

J Hobbs moved to approve the Resolution of Support for local government Smart Scale applications, 2nd by J Crozier. The motion carried by roll call vote.

Aye: Coiner, Crozier, Curry, Egertson, Hobbs, Lamar, McCulla, Roby, Schaeffer, Taylor, Voorhees, Woods (11); Nay: None; Abstain: None; Absent: Ashby, Butler, Catlin, Hively, Hoffman, Smith, Underwood, Woods (8)

c) Request from Rappahannock County to Serve as Fiscal Agent for CARES Act Business Assistance Program

Chairman Coiner asked P Mauney to discuss item 12C. P Mauney referenced local business assistance programs utilizing CARES Act funding in the region and stated that Rappahannock County requested the Commission serve as fiscal agent for a proposed Rappahannock County program.

G Curry moved to authorize the Commission to serve as fiscal agent for a Rappahannock County COVID-19 business assistance program, 2nd by J Hobbs. The motion was approved on a roll call vote.

Aye: Coiner, Crozier, Curry, Egertson, Hobbs, Lamar, McCulla, Roby, Schaeffer, Taylor, Voorhees, Woods (11); Nay: None; Abstain: None; Absent: Ashby, Butler, Catlin, Hively, Hoffman, Smith, Underwood, Woods (8)

d) Request for Letter of Support from Mid-Atlantic Broadband/Southside PDC

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Chairman Coiner asked P Mauney to summarize request from Southside Planning District Commission for a request to the U.S. Economic Development Administration. P Mauney stated that Southside PDC and Mid-Atlantic Broadband were asking for support for a grant to fund design work for Fiber expansion project that would include parts of the region. P Mauney indicated that a similar request was made to the GO Virginia Region 9 council, but some concerns were raised and felt that the Commission could review prior to staff sending a support letter. J Crozier moved to approve letter of support, 2nd by J Hobbs.

Discussion ensued, with J Crozier noting that he did not oppose the request, but noted the lack of benefit to Orange County and other members of the Commission. The motion carried ayes all.

e) Authorization of FY 2022 RRRC Per Capita Dues Rate & Funding Requests

Chairman Coiner introduced item 12F related to FY 2022 funding requests, outlining the annual dues request and regional housing requests. J Crozier moved to approve the $0.83 per capita request and unchanged regional housing request, 2nd by P McCulla. The motion was approved ayes all.

10. Regional Roundtable

Chairman Coiner announced the postponement of the RRRC Annual Meeting until a date and time suitable for such an event to be held. Commissioners discussed upcoming meetings and options to hold in-person Commission meetings at local government spaces that can accommodate physical distancing and other COVID-19 protocols. Consensus was reached for staff to work with member jurisdictions to identify locations for upcoming regular meetings.

11. Adjournment

Chairman Coiner adjourned the meeting at 2:05 p.m.

Respectfully Submitted by:

Patrick L. Mauney
Secretary & Executive Director

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Rappahannock-Rapidan
REGIONAL COMMISSION

MEMORANDUM

To: **Members of the Rappahannock-Rapidan Regional Commission**

From: **Patrick L. Mauney, Executive Director**

Date: **October 20, 2020**

Subject: **FY 2020 RRRC Audit Report Draft**

The FY 2020 Financial Audit for the Regional Commission is attached here for your review. Staff will provide a brief review of the audit at the October 28th meeting.

REQUESTED ACTION: None required. The Commission may take action on the audit at the October 28th or December 9th meetings.

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RAPPAHANNOCK-RAPIDAN
REGIONAL COMMISSION

AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION COMMISSIONERS

As of June 30, 2020

Culpeper County
Mr. John Egertson
Mr. Thomas Underwood

Town of Culpeper
Mr. Chris Hively
Ms. Meaghan Taylor, Commission Vice-Chair

Fauquier County
Mr. Christopher T. Butler
Mr. Paul S. McCulla

Town of Warrenton
Ms. Brandie Schaeffer
Mr. Jerry Wood, Commission Treasurer

Town of Remington
Mr. Evan H."Skeet" Ashby, III

Town of The Plains
Mr. Christopher R. Malone

Madison County
Mr. Jack Hobbs
Ms. Charlotte Hoffman

Town of Madison
Mr. William L. Lamar

Orange County
Mr. James P. "Jim" Crozier
Mr. Theodore Voorhees

Town of Orange
Ms. Martha B. Roby
Mr. Greg Woods, Commission Treasurer

Town of Gordonsville
Mr. Robert K. 'Bob' Coiner, Commission Chair

Rappahannock County
Mr. Garrey W. Curry, Jr.
Ms. Christine Smith

Town of Washington
Mr. Frederic Catlin

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Rappahannock-Rapidan Regional Commission
Culpeper, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made be management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional Commission as of June 30, 2020 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenue and expenses-budget and actual (budgetary basis), the schedule of employer's share of net pension liability and related ratios, and the schedule of employer contributions on pages 3 through 7 and pages 32 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October xx, 2020, on our consideration of the Rappahannock-Rapidan Regional Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rappahannock-Rapidan Regional Commission's internal control over financial reporting and compliance.

Certified Public Accountants
Chantilly, Virginia

October xx, 2020

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Management's Discussion and Analysis

As management of the Rappahannock-Rapidan Regional Commission we offer this narrative overview and analysis of the financial performance of the Commission's financial activities for the year ended June 30, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. Since the Commission is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) financial statements and 2) notes to the financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Commission's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (i.e. earned but unused vacation leave).

Notes to financial statements. The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Commission's financial condition. The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior year.

Financial Highlights FY2020

The financial position of the Rappahannock-Rapidan Regional Commission has stabilized over the past several fiscal years, following a period between 2010 and 2015 that required annual utilization of reserve funds to balance revenues and expenditures. In FY 2017, the Commission made the determination to begin restoring reserve funds with a primary goal of achieving a balance of six months' operating expenses and secondary goal of addressing long-term debt liabilities. This stated strategy, along with successful grant applications for environmental, transportation, housing, and hazard mitigation projects have resulted in increases in net position in recent fiscal years.

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In FY 2020, the Commission continued its successful programmatic efforts in housing and homelessness leadership, transportation and mobility planning, tourism, environmental coordination, and regional coordination. Of particular note in FY 2020 are the continuation of Chesapeake Bay watershed planning, successful completion of USDA Farmers Market Promotion Program and Virginia Tourism Corporation grants, and funding award from Virginia Housing for a regional housing study.

Financial Analysis

The following table reflects the condensed Statements of Net Position:

Summary Statements of Net Position
June 30,

	2020	**2019**
Current Assets	$394,131	$373,794
Capital Assets (net)	195,621	208,455
Net Pension Asset	244,718	331,439
Total Assets	830,470	913,688
Deferred Outflows of Resources	91,916	96,814
Current Liabilities	91,426	97,497
Long-term Liabilities	160,946	176,806
Total Liabilities	252,372	274,303
Deferred Inflows of Resources	13,789	13,925
Invested in capital assets, net of debt	18,815	16,523
Unrestricted	637,410	705,751
Total Net Position	$656,225	$722,274

The Commission's total net position (which is the Commission's bottom line) decreased by $66,049 during the year. It should be noted that $95,483 of this decrease was due to the current year GASB 68 adjustment and that readily accessible assets increased by $20,337 during the year. The improvement in net position over the past four fiscal years also enables the Commission to better manage our cash flow and provide needed cash match for new grants, to maintain staffing levels to support future needs of our member jurisdictions, and to maintain reserve funds for long-term liabilities, including the Commission-owned office building.

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The following summarizes the revenues and expenses of the Commission:

	Changes in Net Position For the Years Ended June 30, 2020	2019
Operating revenues		
Grants	$671,075	$ 744,908
Dues	145,375	145,375
Other operating revenues	81,992	82,228
Total operating revenues	898,442	972,511
Non-operating revenues		
GASB 68 adjustment	(95,483)	112,111
Interest	2,548	3,487
Net gain/(loss) on investments	4,157	3,927
Total non-operating revenues	(88,778)	119,525
Total Revenues	809,664	1,092,036
Operating Expenses		
Salaries and wages	390,450	395,999
Freedom grants	216,391	220,496
Fringe benefits	79,422	72,188
Regional ride sharing	32,689	51,170
Virginia Housing Development Authority	31,102	11,000
Farmers Market Promotion Program	20,562	65,660
Maintenance and repairs	14,769	5,144
Regional Tourism	10,143	4,717
PATH planning grant	2,564	2,470
Veteran transportation and community living	1,257	19,831
Vanpool	903	8,552
Other grant expenses	2,777	5,438
Other operating expenses	51,059	41,540
Total operating expenses	854,088	904,205
Depreciation and amortization	12,834	12,733
Interest paid on debt	8,790	9,491
Total expenses	875,712	926,429
Change in net position	(66,048)	165,607
Net position beginning of year	722,274	556,667
Net position end of year	$656,226	$ 722,274

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Revenues

For the fiscal year ended June 30, 2020, total revenues decreased by $282,372 from the prior year. However, ($95,483) of the decrease in revenue was the result of the GASB 68 adjustment. Operating revenues decreased $74,069 from FY2019 to FY2020. The decreased operating revenue is largely due to closeout of several grants during the fiscal year, including the Farmers Market Promotion Program grant and decreased spending and revenue reimbursement related to the COVID-19 pandemic in the fourth quarter of FY 2020. The continuation of grants from the Department of Rail and Public Transportation in support of RRRC's Commuter Services and Mobility Management programs, and the Rural Transportation Planning grant from the Virginia Department of Transportation are important for RRRC's ability to continue providing support for successful, long-term projects. Finally, RRRC's regional housing efforts were aided by successful grants from the Virginia Homeless Solutions Program, but also from funding allocated by member jurisdictions in support of a 0.5 Full-Time Equivalent housing position.

Expenses

For the fiscal year ended June 30, 2020, total expenses decreased by $50,717 from the prior year. Personnel costs such as health insurance and retirement were stable from FY 2019 to FY 2020, although salaries and wages – the largest expense for the Commission – increased by $1,685 with a full staff for most of the fiscal year. Total expenses were lower than our total revenues before the GASB 68 adjustment.

Capital Assets

At the end of fiscal year 2020, the Commission had invested $426,745 in capital assets which consisted of the office building, office furniture and equipment. This amount has been depreciated by $231,124, for a carrying amount of $195,621.

Long-Term Debt

On August 12, 2000 the Commission received loan proceeds in the amount of $376,000 from the Department of Agriculture to finance construction of office facilities. The loan is due in monthly installments of $1,993 through July 12, 2029. Interest on the loan is at 4.75%. The balance of this loan was $176,806 as of June 30, 2020.

Economic Factors and Future Projects

The Commission receives a substantial amount of its support from local and state governments. The Regional Commission was successful in beginning to restore its reserve fund balance in FY 2017 based on controlling expenses and continued success with state and federal grant applications. The Regional Commission expects that revenues and expenses will be more closely balanced in future years. Operating expenses will generally remain at a level in proportion to the revenues.

Presently, management of the Commission is closely tracking local, state and federal revenue and program impacts related to the COVID-19 pandemic and the potential impacts on the overall agency finances. The short-term outlook remains positive based on known funding awards. In addition, uncertainty at the federal and state level may cause some long-term changes, depending upon funding priorities and availability of grant funding. In particular, funding for housing, transit, mobility management, and environmental planning has been the subject of discussion at the state and federal levels during the past fiscal year.

The Commission is currently involved in numerous projects including but not limited to agricultural development, rural transportation planning, ridesharing, environmental planning, regional housing, economic development, community development planning, and regional tourism.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be directed to the Commission's Executive Director at 420 Southridge Parkway, Suite 106, Culpeper, VA 22701.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS	
Cash and investments	$ 299,886
Accounts receivable	84,231
Prepaid expenses	10,014
Net pension asset	240,718
Capital assets, net	195,621
Total Assets	830,470
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions after the measurement date	1,248
Difference between expected and actual experience	67,491
Changes in assumptions	23,177
Total Deferred Outflows of Resources	91,916
LIABILITIES	
Accounts payable	28,374
Accrued liabilities	12,693
Accrued annual leave	27,784
Deferred revenue	6,715
Rural Development loan payable	176,806
Total Liabilities	252,372
DEFERRED INFLOWS OF RESOURCES	
Net difference between projected and actual earnings on plan investments	13,789
Total Deferred Inflows of Resources	13,789
NET POSITION	
Investment in capital assets, net of related debt	18,815
Unrestricted	637,410
Total Net Position	$ 656,225

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Operating Revenues:	
DEQ Chesapeake Bay watershed implementation plan III	$ 49,244
Dues	145,375
Freedom grant - mobility	135,754
Freedom grant - operating	84,587
Madison county planning	692
Rideshare program	114,186
Rural transportation program	48,241
State regional planning grant	75,971
Van pool grant	1,680
Virginia homeless solution program	84,501
Virginia Housing Development Authority VISTA grant	35,309
USDA farmers market promotion program	34,934
Other Income	
PATH Foundation outreach	5,000
PATH mobility management	20,145
Regional housing	48,605
Regional tourism	11,200
VTC marketing leverage program grant	1,182
Miscellaneous	1,836
Total Operating Revenues	898,442
Operating Expenses:	
Advertising	231
Annual meeting	4,057
Audit	3,800
Depreciation	12,835
Equipment	5,033
Freedom grant-mobility	122,412
Freedom grant-operating	93,979
Insurance health	42,277
Insurance liability	1,327
Insurance workers' compensation	500
Maintenance and repairs	14,769
Membership dues	4,150
Miscellaneous	9
PATH planning grant	2,564
Payroll taxes	27,928
Postage	422

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Operating Expenses (Continued):	
Printing	$ 1,320
Regional tourism	10,143
Retirement	8,717
Rideshare	32,689
Rural transportation planning	660
Salary	390,450
Subscriptions and publications	636
Supplies	2,674
Technology	9,478
Travel	6,617
Utilities	4,305
USDA farmers market promotion program	20,562
Vanpool expense	903
Virginia Housing Development Authority	31,102
VTC marketing leverage program grant	1,257
Virginia homeless solution program expense	1,488
Watershed implementation plan	629
Website	7,000
Total Operating Expenses	866,923
Operating Gain	31,519
Nonoperating Income (Expense)	
GASB 68 actuarial adjustment	(95,483)
Interest income	2,548
Net gain on investments	4,157
Interest expense	(8,790)
Total Nonoperating Income (Expense)	(97,568)
Change in Net Position	(66,049)
Net Position at beginning of year	722,274
Net Position at end of year	$ 656,225

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities:	
Cash received from customers and users	$ 930,685
Payments to suppliers	(487,355)
Payments to employees	(386,111)
Net Cash Provided by Operating Activities	57,219
Cash Flows from Capital and Related Financing Activities:	
Principal payments on debt	(15,126)
Interest payments on debt	(8,790)
Net Cash Used in Capital and Related Financing Activities	(23,916)
Cash Flows from Investing Activities	
Proceeds from investments	4,157
Purchases of investments	(4,157)
Interest earned	2,548
Net Cash Provided by Investing Activities	2,548
Net Change in Cash and Cash Equivalents	35,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	264,035
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 299,886
Reconciliation of Operating Gain to Net Cash Provided by Operating Activities	
Operating Gain	$ 31,519
Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities:	
Depreciation	12,835
GASB 68 adjustment	(95,483)
Gain on investments	4,157
Changes in current assets and liabilities:	
Decrease in accounts receivable	25,528
Increase in prepaid expenses	(10,014)
Decrease in net pension asset	90,721
Decrease in deferred outflows	4,898
Decrease in accounts payable	(17,860)
Increase in accrued liabilities	1,935
Increase in accrued annual leave	2,404
Increase in deferred revenue	6,715
Decrease in deferred inflows	(136)
Net Cash Provided by Operating Activities	$ 57,219

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Budgetary-Basis	Variance Favorable (Unfavorable)
Operating Revenues:				
DEQ Chesapeake Bay watershed implementation plan III	$ 47,500	$ 47,500	$ 49,244	$ 1,744
Dues	145,377	145,377	145,375	(2)
Freedom grant-mobility	130,000	130,000	109,254	(20,746)
Freedom grant-operating	100,000	100,000	91,221	(8,779)
Madison county planning	-	-	692	692
PATH Foundation outreach	5,000	5,000	5,000	-
PATH mobility management	-	26,860	26,860	-
Regional housing	48,604	48,604	48,605	1
Rgional tourism	7,000	7,000	11,200	4,200
Rideshare program	129,920	129,920	102,417	(27,503)
Rural transportation program	58,000	58,000	55,843	(2,157)
State regional planning grant	75,971	75,971	75,971	-
Van pool grant	8,000	8,000	5,232	(2,768)
Virginia homeless solution program	84,500	84,500	84,501	1
Virginia Housing Development Authority VISTA grant	-	25,000	21,525	(3,475)
VTC marketing leverage program grant	21,012	21,012	21,012	-
USDA farmers market promotion program	80,574	80,574	74,897	(5,677)
Other Income	750	750	1,836	1,086
Total Operating Revenues	942,208	994,068	930,685	(63,383)
Operating Expenses:				
Advertising	500	500	231	269
America's wine country	1,100	1,100	-	1,100
Annual meeting	5,500	5,500	4,057	1,443
Audit	5,000	5,000	3,800	1,200
DEQ Chesapeake Bay watershed implementation plan III	1,000	1,000	629	371
Equipment and software	7,000	7,000	5,033	1,967
Freedom grant-mobility	100,000	126,860	133,724	(6,864)
Freedom grant-operating	100,000	100,000	93,099	6,901
Insurance health	41,300	41,300	50,291	(8,991)
Insurance liability	1,300	1,300	1,327	(27)
Insurance workers' compensation	500	500	500	-
Maintenance and repairs	10,000	10,000	14,769	(4,769)
Membership dues	4,000	4,000	4,150	(150)
Miscellaneous	500	500	9	491
PATH Foundation outreach	5,000	5,000	5,034	(34)

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES-BUDGET
AND ACTUAL (BUDGETARY BASIS) (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual Budgetary-Basis	Variance Favorable (Unfavorable)
Operating Expenses (Continued):				
Payroll taxes	$ 31,500	$ 31,500	$ 27,928	$ 3,572
Postage	750	750	422	328
Printing	2,000	2,000	1,320	680
Regional tourism	8,500	8,500	10,143	(1,643)
Retirement	9,500	9,500	8,717	783
Rideshare	59,500	59,500	32,689	26,811
RTAP expense	-	-	-	-
Rural transportation planning	1,000	1,000	660	340
Salary	410,000	410,000	390,450	19,550
Strategic planning	-	-	-	-
Subscriptions and publications	500	500	636	(136)
Supplies	4,500	4,500	2,674	1,826
Technology	8,000	8,000	9,478	(1,478)
Town of Remington zoning ordinance	-	-	-	-
Travel, training and meals	11,200	11,200	6,617	4,583
Utilities	6,000	6,000	4,305	1,695
USDA farmers market promotion program	61,000	61,000	38,230	22,770
Vanpool expense	8,500	8,500	903	7,597
Virginia Housing Development Authority	-	25,000	14,137	10,863
VTC marketing leverage program grant	1,258	1,258	1,257	1
Virginia homeless solution program expense	3,000	3,000	1,488	1,512
Website update	7,000	7,000	7,000	-
Total Operating Expenses	916,408	968,268	875,707	92,561
Operating Gain	25,800	25,800	54,978	29,178
Nonoperating Income (Expense)				
GASB 68 adjustment	-	-	(95,483)	(95,483)
Interest income	3,500	3,500	2,548	(952)
Investment gain	-	-	4,157	4,157
Interest expense	(23,916)	(23,916)	(23,916)	-
Total Nonoperating Income (Expense)	(20,416)	(20,416)	(112,694)	(95,483)
Net Gain/(Loss)	$ 5,384	$ 5,384	$ (57,716)	$ (66,305)

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - BUDGETARY BASIS
BUDGET-TO-GAAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2020

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

Sources/inflows of resources	
Actual amounts (budgetary basis) from budgetary comparison schedule	$ 930,685
Collection of receivables accrued as of June 30, 2019 are revenue for budgetary purposes but not for GAAP purposes.	(109,759)
Receivables accrued as of June 30, 2020 are revenue for GAAP purposes but not for budgetary purposes.	84,231
Total operating revenue as reported on the statement of revenues, expenses and changes in net position.	$ 898,442
Uses/outflows of resources	
Actual amounts (budgetary basis) from budgetary comparison schedule	$ 875,707
Payments of accounts payable recorded as of June 30, 2019 are expenditures for budgetary purposes but not for GAAP purposes.	(36,493)
Prepaid expenses recorded as of June 30, 2020, are expenditures for budgetary purposes but not for GAAP purposes.	(10,014)
Payables accrued as of June 30, 2020 are expenses for GAAP purposes but not for budgetary purposes.	24,888
Depreciation expense is an expense for GAAP purposes but not for budgetary purposes.	12,835
Total operating expenses as reported on the statement of revenues, expenses and changes in net position.	$ 866,923

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	$ 24,314	$ 34,100	$ 34,046	$ 46,439	$ 45,136	$ 44,023
Interest on total pension liability	77,006	60,863	76,384	67,864	60,928	54,411
Changes in assumptions	40,094	-	(29,189)	-	-	-
Differences between expected and actual experience	62,456	159,504	(279,643)	22,652	(589)	-
Benefit payments, including refunds of employee contributions	(24,079)	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Net change in total pension liability	179,791	230,837	(221,440)	129,528	100,105	93,141
Total pension liability - beginning	1,112,120	881,283	1,102,723	973,195	873,090	779,949
Total pension liability - ending (a)	$ 1,291,911	$ 1,112,120	$ 881,283	$ 1,102,723	$ 973,195	$ 873,090
Plan fiduciary net position						
Contributions - employer	$ 460	$ 20,150	$ 16,670	$ 20,601	$ 21,713	$ 24,294
Contributions - employee	16,746	17,480	14,694	16,585	17,468	17,147
Net investment income	96,946	99,250	145,211	22,505	49,158	140,644
Benefit payments, including refunds of employee contributions	(24,079)	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Administrative expense	(942)	(829)	(815)	(2,049)	(630)	(720)
Other	(61)	(90)	(130)	(5)	(11)	7
Net change in plan fiduciary net position	89,070	112,331	152,592	50,210	82,328	176,079
Plan fiduciary net position - beginning	1,443,559	1,331,228	1,178,636	1,128,426	1,046,098	870,019
Plan fiduciary net position - ending (b)	$ 1,532,629	$ 1,443,559	$ 1,331,228	$ 1,178,636	$ 1,128,426	$ 1,046,098
Commission's net pension asset - ending (a)-(b)	$ (240,718)	$ (331,439)	$ (449,945)	$ (75,913)	$ (155,231)	$ (173,008)
Plan fiduciary net position as a percentage of the total Pension liability	118.63%	129.80%	151.06%	106.88%	115.95%	119.82%
Covered - employee payroll	$ 371,297	$ 317,184	$ 367,005	$ 268,691	$ 351,496	$ 342,940
Commission's net pension liability as percentage of covered-employee payroll	-64.83%	-104.49%	-122.60%	-28.25%	-44.16%	-50.45%

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2011 THROUGH 2020

Date	Contractually Required Contributions (1)	Contributions in Relation to Contractually Required Contributions (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)	Required Contrib Rate
2020	$ 2,084	$ 1,248	$ 836	$ 385,989	0.32%	0.54%
2019	2,005	1,368	637	371,297	0.37%	0.54%
2018	9,198	20,245	(11,047)	317,184	6.38%	2.90%
2017	10,643	16,670	(6,027)	367,005	4.54%	2.90%
2016	16,766	20,601	(3,835)	268,691	7.67%	6.24%
2015	21,933	21,713	220	351,496	6.18%	6.24%
2014	24,383	24,294	89	342,940	7.08%	7.11%
2013	24,383	28,323	(3,940)	342,940	8.26%	7.11%
2012	26,840	29,446	(2,606)	322,209	9.14%	8.33%
2011	26,111	28,702	(2,591)	313,452	9.16%	8.33%

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of the Rappahannock-Rapidan Regional Commission conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Government Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. The Financial Reporting Entity

The Rappahannock-Rapidan Regional Commission was chartered in 1971. The Commission includes the Counties of Culpeper, Fauquier, Madison, Orange and Rappahannock and the towns of Remington, Warrenton, Culpeper, Orange, Madison, Gordonsville, Washington and The Plains. Regional Commissions achieved their being and legal status by the Virginia Area Development Act, passed by the General Assembly on March 13, 1968. The Act was an amendment of Chapters 34 and 35 of the *Code of Virginia* and provided the State with a uniform set of sub-state administrative boundaries and local government the authority to create planning and/or service district commissions, all in an effort to improve state and local relations which would enable government to be more responsive to the needs of its people.

B. Financial Statement Presentation

Management's Discussion and Analysis – GASB Statement #34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Enterprise Fund Financial Statements:

The Statement of Net Position is designed to display the financial position of the Commission. Governments will report all capital assets and will report depreciation expense – the cost of "using up" capital assets – in the Statement of Revenues, Expenses and Changes in Net Position. The net position of the government is broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unassigned.

C. Basis of Accounting

The accounting and reporting policies of the Commission relating to the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units and by the Financial Accounting Standards Board (when applicable).

D. Budgets and Budgetary Accounting

A budget is prepared for information and fiscal planning purposes. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses. The budget is prepared on the same basis of accounting as the actual financial statements are prepared except for depreciation and capital asset purchases are expensed.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

E. Capital Assets

Property, plant and equipment purchased is stated at cost or estimated cost for all items with an initial cost exceeding $1,000. Donated property is recorded at fair market value prevailing at the date of donation. Depreciation for capital asset has been provided for over the following estimated useful lives using the straight-line method:

Equipment	3-12 years
Buildings	39 years

Activity of the capital assets for the Commission for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Office furniture and equipment	$ 36,637	$ -	$ -	$ 36,637
Buildings and improvements	390,108	-	-	390,108
Less:				
Accumulated Depreciation	(218,289)	(12,835)	-	(231,124)
Net capital assets	$208,456	$(12,835)	$ -	$195,621

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Accounts Receivable

Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2020, and no allowance for doubtful accounts has been provided.

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NOTE 1 – Summary of Significant Accounting Policies (continued)

I. Deferred Outflows/Inflows of Resources

The Commission reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. The Commission has three items that qualify for reporting in this category. They are the employer pension contributions made subsequent to the actuarial measurement date, the difference between expected and actual experience, and a change of assumptions. Employer contributions made after the measurement date of June 30, 2019, were $1,248. The difference between expected and actual experience, per the actuarial report dated of June 30, 2019, was $67,491, and the change in assumptions was $23,177.

The Commission reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. The Commission had one item that qualifies for reporting in this category. The net difference between the projected and actual earnings on plan investments, per the actuarial report dated of June 30, 2019, was $13,789.

J. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Retirement Plan and additions to/deductions from the Commission's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted, as they are needed.

L. Advertising Costs

Advertising costs are expensed as incurred.

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NOTE 2 - Cash and Investments

State statute authorizes the Commission to invest in obligations of the U. S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Cash and cash equivalents include amounts in demand deposits as well as short-term, highly liquid investments with a maturity date within three months of the date acquired by the Commission. Deposits are carried at cost, which approximates fair value. At year end, the carrying value of the Commission's bank account balances was $45,194, and the bank balances totaled $69,298.

There is no custodial credit risk to these accounts, as the entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FSLIC limits. The State Treasury Board is responsible for monitoring compliance by banks and savings and loans. Accordingly, there is no custodial risk for either of the accounts as they are fully collateralized. In addition, there is no interest rate risk as the interest rates are adjusted daily.

The Commission is a participant in the Virginia Investment Pool, a jointly-administered investment pool. Jointly-administered investment pools, such as VIP, are allowable investment as identified in the Investment of Public Funds Act. Participants own and control VIP, which is a governmental trust under Section 115 of the Internal Revenue Code. Public Trust Advisors, LLC (PTA) serves as Investment Manager. PTA is a Securities and Exchange Commission registered, independent investment advisor with significant local government investment pool experience. PTA manages more than $30 billion in public funds nationwide. Wells Fargo Bank is VIP's custodian bank.

The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. At June 30, 2020 the Commission's balance in the investment pool was $254,692 and included the follow investments:

VIP Liquidity Pool Account	$147,051
VIP Long Term Bond Fund	107,641

NOTE 3 – Rural Development Loan

The Commission received loan proceeds in the amount of $376,000 from the Department of Agriculture on August 12, 2000. The loan is secured by the Commission's real estate and due in monthly installments of $1,993 including interest of 4.75% through July 12, 2029.

Current year debt activity was as follows:

Beginning Balance	Increases	Decreases	Ending Balance
$191,932	$ -	$ 15,126	$176,806

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 – Rural Development Loan (continued)

Mandatory debt service requirements consist of the following:

Year Ending June 30,	Principal	Interest
2021	$ 15,860	$ 8,056
2022	16,630	7,286
2023	17,437	6,479
2024	18,288	5,628
2025	19,172	4,744
2026-2030	89,419	9,220
Total	$ 176,806	$ 41,413

NOTE 4 – Defined Benefit Pension Plan

Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Retirement Plan and the additions to/deductions from the Commission's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

All full-time, salaried permanent employees of the Commission are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	**PLAN 2**	**HYBRID RETIREMENT**
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About Plan 2** Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	**About the Hybrid Retirement Plan** The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken refund. **Hybrid Opt-In Election** VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	**Eligible Members** Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. **Hybrid Opt-In Election** Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.	**Eligible Members** Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 ***Non-Eligible Members** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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NOTE 4 – Defined Benefit Pension Plan (Continued)

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	**Retirement Contributions** Same as Plan 1.	**Retirement Contributions** A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	**Service Credit** Same as Plan 1.	**Service Credit** **<u>Defined Benefit Component:</u>** Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **<u>Defined Contributions Component:</u>** Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make	**Vesting** Same as Plan 1.	**Vesting** **<u>Defined Benefit Component:</u>** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **<u>Defined Contributions Component:</u>** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution not required, except as governed by law.
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	**Calculating the Benefit** See definition under Plan 1.	**Calculating the Benefit** **Defined Benefit Component:** See definition under Plan 1 **<u>Defined Contribution Component:</u>** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	**Average Final Compensation** Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier **VRS:** The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. **Sheriffs and regional jail superintendents:** The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. **Political subdivision hazardous duty employees:** The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Service Retirement Multiplier** **VRS:** Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non- hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. **Sheriffs and regional jail superintendents:** Same as Plan 1. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Service Retirement Multiplier** **<u>Defined Benefit Component:</u>** **VRS:** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. **Sheriffs and regional jail superintendents:** Not applicable. **Political subdivision hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** Not applicable.
Normal Retirement Age VRS: Age 65. **Political subdivisions hazardous duty employees:** Age 60.	**Normal Retirement Age VRS:** Normal Social Security retirement age. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Normal Retirement Age** **<u>Defined Benefit Component:</u>** **VRS**: Same as Plan 2. **Political subdivisions hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** Members are eligible to receive distributions upon leaving employment, subject to restrictions.

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NOTE 4 – Defined Benefit Pension Plan (Continued)

Earliest Unreduced Retirement Eligibility **VRS:** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	**Earliest Unreduced Retirement Eligibility** **VRS:** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Unreduced Retirement Eligibility** **<u>Defined Benefit Component:</u>** **VRS:** Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90. **Political subdivisions hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility **VRS:** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. **Political subdivisions hazardous duty employees:** 50 with at least five years of service credit.	**Earliest Reduced Retirement Eligibility** **VRS:** Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Same as Plan 1.	**Earliest Reduced Retirement Eligibility** **<u>Defined Benefit Component:</u> VRS:** Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Not applicable. **<u>Defined Contribution Component:</u>** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	**Cost-of-Living Adjustment (COLA) in Retirement** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	**Cost-of-Living Adjustment (COLA) in Retirement** **<u>Defined Benefit Component:</u>** Same as Plan 2. **<u>Defined Contribution Component:</u>** Not applicable.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	**<u>Eligibility:</u>** Same as Plan 1	**<u>Eligibility:</u>** Same as Plan 1 and Plan 2.
<u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member Is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1	**<u>Exceptions to COLA Effective Dates:</u>** Same as Plan 1 and Plan 2.

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NOTE 4 – Defined Benefit Pension Plan (Continued)

Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	**Disability Coverage** Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work- related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	**Purchase of Prior Service** Same as Plan 1.	**Purchase of Prior Service** **<u>Defined Benefit Component:</u>** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. **<u>Defined Contribution Component:</u>** Not applicable.

NOTE 4 – Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

		Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits		4
Inactive Members		
Vested inactive members	5	
Non-vested inactive members	7	
Active members active elsewhere in VRS	4	
Total Inactive Members		16
Active Members		6
Total covered employees		26

Contributions

The contribution requirement for active employees is governed by § 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Commission's contractually required contribution rate for the year ended June 30, 2020 was .65% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the Commission was $1,248 and $1,368 for the years ended June 30, 2020 and June 30, 2019, respectively.

Net Pension Liability

Th net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to the measurement date of June 30, 2019.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2018, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long- term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

Largest 10 - Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

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NOTE 4 – Defined Benefit Pension Plan (Continued)

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2018, valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

All Other (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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NOTE 4 – Defined Benefit Pension Plan (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.63%

* The above allocation provides a one-year return of 7.63%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under carious economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2019 on, participating employers are assumed to continue 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTE 4 – Defined Benefit Pension Plan (Continued)

Change in the Net Pension Liability (Asset):

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2018	$1,112,120	$1,443,559	$(331,439)
Changes for the year:			
Service cost	24,314		24,314
Interest	77,006		77,006
Changes of assumption	40,094		40,094
Difference between expected and actual experience	62,456		62,456
Contributions – employer		460	(460)
Contributions – employee		16,746	(16,746)
Net investment income		96,946	(96,946)
Benefit payments, including refunds of employee contributions	(24,079)	(24,079)	-
Administrative expense		(942)	942
Other changes	-	(61)	61
Net changes	179,791	89,070	90,721
Balances at June 30, 2019	$1,291,911	$1,532,629	$(240,718)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of the Commission using the discount rate of 6.75%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.750%)
Commission's Net Pension Liability (Asset)	$(54,848)	$(240,718)	$(386,076)

Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Commission recognized pension expense of $95,823. At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$67,491	$ -
Changes of assumptions	23,177	-
Net difference between projected and actual earnings on plan investments	-	13,789
Employer contributions subsequent to the Measurement Date	1,248	-
Total	$91,916	$13,789

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NOTE 4 – Defined Benefit Pension Plan (Continued)

$1,248 reported as deferred outflows of resources related to pensions resulting from Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future reporting periods as follows:

Year ending June 30,	
2021	73,303
2022	3,166
2023	(357)
2024	767
2025	-
Thereafter	-

Pension Plan Data
Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 *Comprehensive Annual Financial Report* (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at varetire.org/Pdf/Publications/2019-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 5 – Commitments and Contingencies

The Commission receives a substantial amount of its support from local and state governments. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the Commission's programs and activities.

NOTE 6 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through October xx, 2020, the date which the financial statements were available to be issued.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners
Rappahannock-Rapidan Regional Commission
Culpeper, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Rappahannock-Rapidan Regional Commission's basic financial statements, and have issued our report thereon dated October xx, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rappahannock-Rapidan Regional Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rappahannock-Rapidan Regional Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Rappahannock-Rapidan Regional Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rappahannock-Rapidan Regional Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Certified Public Accountants
Chantilly, Virginia

October xx, 2020

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

NOTE 1 – Change of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

NOTE 2 – Changes of Assumptions

The actuarial assumptions used in the June 30, 2018, valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
Discount Rate	Decrease rate from 7.00% to 6.75%

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MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission

From: Patrick L. Mauney, Executive Director

Date: October 19, 2020

Subject: FY 2021 Year-to-Date Financial Report & Budget Amendment

FY 2021 Revenue and Expenditure reports through September 30, 2020 are enclosed for your review. These are unaudited reports for the first quarter of the fiscal year.

Revenues and expenditures continue to track with budget.

As referenced to you previously, staff was informed of two successful grant applications in September, as well as an allocation of CARES Act funding from Orange County to support IT/telework costs related to the COVID-19 pandemic, raising revenues by $150,500. Included here are proposed amendments to the FY 2021 budget to reflect the anticipated impact of these revenues and proposed expenditures. The following amendments are proposed:

Operating Expenses

- $5,000 to Equipment/Software for additional hardware related to telework support (funded through the Orange County CARES funding allocated to RRRC)
- $31,895 to Payroll and $2,500 to FICA for a 2.5% cost of living adjustment effective November 1 and for hiring of vacant P/T regional planner position (vacant since May 2020)

Project Expenses

- $98,775 in Mobility Managment Expenses (pass through expenses covered through funding received from PATH Foundation)
- $24,000 in National Fish & Wildlife grant expenses (pass through expenses reimbursed through NFWF grant awarded in September)
- Adjustments to expenditures from the 2 VHDA grants reflecting expenses paid prior to 6/30/2020 (Housing Study) and paid after 6/30/2020 (COVID-19 Emergency Grant)

REQUESTED ACTION: Consider adoption of the amended FY 2021 budget.

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Rappahannock-Rapidan Regional Commission
FY 2021 Budget -
Proposed Amendments (October 28, 2020)

Budget Items	FY 2021 Budget (Adopted 6/24/2020)	Adjustments (Proposed 10/28/2020)	Adjusted Budget (Proposed 10/28/2020)	July	August	September	YTD Actual	YTD %
Revenues								
Dues:								
Culpeper County	$ 26,624.00		$ 26,624.00		$ 6,655.98		$ 6,655.98	25.0%
Fauquier County	$ 48,430.00		$ 48,430.00		$ 12,107.42		$ 12,107.42	25.0%
Madison County	$ 10,674.00		$ 10,674.00				$ -	0.0%
Orange County	$ 24,039.00		$ 24,039.00	$ 24,038.46			$ 24,038.46	100.0%
Rappahannock County	$ 5,915.00		$ 5,915.00	$ 5,915.41			$ 5,915.41	100.0%
Town of Culpeper	$ 14,945.00		$ 14,945.00	$ 14,944.98			$ 14,944.98	100.0%
Town of Gordonsville	$ 1,314.00		$ 1,314.00	$ 1,313.89			$ 1,313.89	100.0%
Town of Madison	$ 181.00		$ 181.00	$ 180.94			$ 180.94	100.0%
Town of Orange	$ 4,140.00		$ 4,140.00	$ 4,140.04			$ 4,140.04	100.0%
Town of The Plains	$ 189.00		$ 189.00			$ 189.24	$ 189.24	100.1%
Town of Remington	$ 524.00		$ 524.00		$ 523.73		$ 523.73	99.9%
Town of Warrenton	$ 8,185.00		$ 8,185.00	$ 8,184.63			$ 8,184.63	100.0%
Town of Washington	$ 104.00		$ 104.00	$ 103.75			$ 103.75	99.8%
Interest Income	$ 2,000.00		$ 2,000.00	$ 44.08	$ 36.99	$ 33.53	$ 114.60	5.7%
Other Income	$ 1,000.00		$ 1,000.00	$ 103.08	$ 68.84	$ 29.66	$ 201.58	20.2%
DEQ Chesapeake Bay PDC Capacity	$ 52,000.00		$ 52,000.00				$ -	0.0%
DRPT Mobility Management Grant	$ 124,500.00		$ 124,500.00	$ 10,150.00	$ 8,955.00		$ 19,105.00	15.3%
DRPT Section 5310 Operating Grant	$ 25,000.00		$ 25,000.00	$ 7,132.00	$ 7,680.00		$ 14,812.00	59.2%
NFWF Chesapeake Bay Grant	$ -	$ 30,000.00	$ 30,000.00				$ -	0.0%
Orange County CARES Act	$ -	$ 10,000.00	$ 10,000.00				$ -	0.0%
PATH Mobility Mgmt/Transportation Collaborative	$ 40,000.00	$ 110,000.00	$ 150,000.00			$ 150,000.00	$ 150,000.00	100.0%
Regional Housing	$ 48,604.00		$ 48,604.00	$ 19,632.17	$ 5,935.77	$ 43.41	$ 25,611.35	52.7%
Regional Tourism	$ 7,000.00	$ 500.00	$ 7,500.00	$ 4,200.00	$ 1,400.00	$ 149.90	$ 5,749.90	76.7%
Rideshare Program	$ 140,000.00		$ 140,000.00		$ 13,791.00	$ 5,943.00	$ 19,734.00	14.1%
Rideshare Vanpool Grant	$ 5,000.00		$ 5,000.00				$ -	0.0%
Rural Transportation Planning	$ 58,000.00		$ 58,000.00			$ 17,690.42	$ 17,690.42	30.5%
State Regional Planning Grant	$ 75,971.00		$ 75,971.00				$ -	0.0%
VDEM Wildfire Analysis Grant	$ 9,090.00		$ 9,090.00				$ -	0.0%
VHDA COVID-19 Emergency Grant	$ 21,525.00		$ 21,525.00	$ 21,525.00			$ 21,525.00	100.0%
VHDA Housing Study	$ 75,000.00		$ 75,000.00	$ 13,784.23			$ 13,784.23	18.4%
VHSP Grant	$ 84,500.00		$ 84,500.00			$ 8,974.09	$ 8,974.09	10.6%
Total Revenue	**$ 914,454.00**	**$ 150,500.00**	**$ 1,064,954.00**	**$ 135,392.66**	**$ 57,154.73**	**$ 183,053.25**	**$ 375,600.64**	**35.3%**

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Rappahannock-Rapidan Regional Commission
FY 2021 Budget -
Proposed Amendments (October 28, 2020)

Budget Items	FY 2021 Budget (Adopted 6/24/2020)	Adjustments (Proposed 10/28/2020)	Adjusted Budget (Proposed 10/28/2020)	July	August	September	YTD Actual	YTD %
Expenditures								
Advertising	$ 500.00		$ 500.00	$ 18.95			$ 18.95	3.8%
Annual Meeting/Workshops/Meetings	$ 5,000.00		$ 5,000.00				$ -	0.0%
Audit/Legal	$ 5,000.00		$ 5,000.00				$ -	0.0%
Equipment/Software	$ 12,500.00	$ 5,000.00	$ 17,500.00	$ 14.99	$ 29.98	$ 14.99	$ 59.96	0.3%
FICA	$ 29,500.00	$ 2,500.00	$ 32,000.00	$ 2,053.80	$ 2,058.10	$ 2,073.08	$ 6,184.98	19.3%
Health & Dental	$ 63,000.00		$ 63,000.00	$ 5,230.04	$ 5,230.04	$ 5,230.04	$ 15,690.12	24.9%
Meals	$ 2,500.00		$ 2,500.00				$ -	0.0%
Membership Dues	$ 4,200.00		$ 4,200.00	$ 4,013.27			$ 4,013.27	95.6%
Miscellaneous	$ 500.00		$ 500.00	$ 19.60			$ 19.60	3.9%
Mortgage	$ 23,916.00		$ 23,916.00	$ 1,993.00	$ 1,993.00	$ 1,993.00	$ 5,979.00	25.0%
Office & P.O. Liability Insurance	$ 1,350.00		$ 1,350.00	$ 1,343.00			$ 1,343.00	99.5%
Office Maintenance	$ 12,000.00		$ 12,000.00	$ 691.40	$ 910.56	$ 200.00	$ 1,801.96	15.0%
Payroll Expenses	$ 382,063.00	$ 31,895.00	$ 413,958.00	$ 29,062.36	$ 29,118.40	$ 29,314.58	$ 87,495.34	21.1%
Postage	$ 500.00		$ 500.00			$ 1.20	$ 1.20	0.2%
Printing	$ 3,000.00		$ 3,000.00	$ 30.86	$ 127.12	$ 74.81	$ 232.79	7.8%
Subscriptions and Books	$ 500.00		$ 500.00	$ 14.00	$ 14.00	$ 14.00	$ 42.00	8.4%
Supplies	$ 4,500.00		$ 4,500.00	$ 241.41	$ 67.00	$ 233.02	$ 541.43	12.0%
Technology	$ 9,500.00		$ 9,500.00	$ 2,920.45	$ 580.74	$ 618.24	$ 4,119.43	43.4%
Travel & Training	$ 8,000.00		$ 8,000.00	$ 75.13			$ 75.13	0.9%
Utilities	$ 6,500.00		$ 6,500.00	$ 292.32	$ 326.39	$ 318.60	$ 937.31	14.4%
VRS	$ 13,000.00		$ 13,000.00	$ 705.52	$ 705.52	$ 705.52	$ 2,116.56	16.3%
Workman's Comp	$ 500.00		$ 500.00	$ 500.00			$ 500.00	100.0%
Chesapeake Bay PDC Capacity Expenses	$ 1,000.00		$ 1,000.00			$ 100.00	$ 100.00	10.0%
Mobility Management Expenses	$ 123,625.00	$ 98,775.00	$ 222,400.00	$ 380.63	$ 8,575.72	$ 11,994.05	$ 20,950.40	9.4%
DRPT Section 5310 Operating Expenses	$ 25,000.00		$ 25,000.00	$ 7,923.50	$ 8,533.00	$ 7,314.00	$ 23,770.50	95.1%
NFWF Chesapeake Bay Grant Expenses	$ -	$ 24,000.00	$ 24,000.00				$ -	0.0%
Regional Tourism Expenses	$ 10,000.00		$ 10,000.00	$ 334.52	$ 404.27	$ 204.50	$ 943.29	9.4%
Rideshare Expenses	$ 80,000.00		$ 80,000.00	$ 79.32	$ 3.99	$ 2,703.99	$ 2,787.30	3.5%
Rideshare Vanpool Expenses	$ 4,800.00		$ 4,800.00				$ -	0.0%
Rural Transportation Expenses	$ 1,000.00		$ 1,000.00				$ -	0.0%
VHDA COVID-19 Emergency Grant Expenses	$ 18,000.00	$ 2,467.00	$ 20,467.00	$ 12,892.46	$ 7,574.17		$ 20,466.63	100.0%
VHDA Housing Study Expenses	$ 60,000.00	$ (14,137.00)	$ 45,863.00		$ 5,654.90	$ 22,619.60	$ 28,274.50	61.6%
VHSP Expenses	$ 3,000.00		$ 3,000.00	$ 26.83	$ 26.83	$ 347.14	$ 400.80	13.4%
Total Expenditures	**$ 914,454.00**	**$ 150,500.00**	**$ 1,064,954.00**	**$ 70,857.36**	**$ 71,933.73**	**$ 86,074.36**	**$ 228,865.45**	**21.5%**

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Executive Director's Report
October 21, 2020

The purpose of this monthly report is to provide members of the Regional Commission with a summary report of work plan-related activities, staff attendance and participation at local/regional/ statewide meetings, and updates on initiatives impacting the Regional Commission and our localities.

Administration:

- I am sharing links for several annual/biennial reports here for your reference:
    - RRRC FY 2020 Annual Report
    - Biennial Report on Planning District Commissions: This document is compiled by the Department of Housing & Community Development from annual reports submitted by the 21 PDCs (including RRRC) and provided to the General Assembly. You may find use in reviewing some of the summaries of work completed by PDCs across the Commonwealth to help guide future efforts here in our region.
- As requested at the June meeting, I will share a draft Continuity of Operations Plan for the Commission's reference at the October meeting. This document is meant to be a high-level overview of ensuring that critical Commission functions are maintained in the event of the Commission offices being rendered unusable. Comments and suggestions from the Commission will be incorporated and brought back for consideration in December.

Environmental/Natural Resources

- Commission staff is coordinating a regional Food Processing meeting, co-hosted by Virginia Cooperative Extension, built on gaps in the food supply chain made apparent by the pandemic, as well as the ongoing work surrounding food processing facility development in the region. The goal of this meeting is to share information and discuss potential opportunities for collaboration, so we can better coordinate our individual efforts going forward to increase our collective impact. Dr. Jewel Bronaugh, VDACS Commissioner, will participate. The meeting is set for November 5th at 2pm via Zoom.
- There is a local Total Maximum Daily Load (TMDL) implementation plan process beginning tonight (October 28th, 6:30 p.m.) for the Mountain Run watershed and various streams in Culpeper County. More information can be found on the Department of Environmental Quality website. Commission staff will participate in the process, which is being led solely by DEQ.

Transportation

- Details on the Regional Transportation Collaborative project built on funding received from PATH are on the October agenda. This project is part of the continuing evolution of the Foothills Area Mobility System (FAMS) partnership as we have attempted to diversify funding support beyond the traditional funding received via grants from the Department of Rail and Public Transportation. A virtual introductory meeting for regional stakeholders and other interested parties is set for tomorrow, October 29th at 1pm via Zoom.
- Staff continues to coordinate with state agency partners regarding existing funding for transportation and demand management programs. To date, the Commuter Services program has taken quarterly appropriations for operating (staff) costs for the first and second quarters of

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FY 2021, along with carryover funding from FY 2020. We expect additional clarity from the Commonwealth Transportation Board by December.

Homelessness & Regional Housing

- Staff continues to coordinate with Foothills Housing Network partners on regional responses to the pandemic and directives from DHCD to provide hotel and motel rooms for unsheltered individuals and households in order to meet non-congregate shelter needs. This has primarily impacted Culpeper Housing and Shelter Services (CHASS), but we are also expecting additional capacity through Community Touch (CTI) in Fauquier County through the end of December.
- Staff coordinated an initial discussion between Culpeper Crisis Committee chair Lisa Peacock and Department of Housing and Community Development staff regarding the potential for additional support related to housing and/or shelter earlier this month. We will continue to support locally-supported efforts, as needed and requested.

Economic Development & Tourism

- Information on a potential GO Virginia application for regional entrepreneurship program will be shared with further details anticipated in December. There are multiple documents related to both the Young Entrepreneurship Program and rural entrepreneurship funded via GO Virginia.
- The regional Tourism Committee has continued minimal advertising via Facebook for the Tween Rivers Trail focused on safe activities and highlight TRT member events conducted with appropriate guidelines. Engagement via social media and website statistics continues to meet or exceed previous years, even with the end of the Virginia Tourism Corporation grant in December 2019.

Emergency Planning & Hazard Mitigation

- Data collection and mapping processes are underway for the regional Wildfire GIS analysis project funded through the Virginia Department of Emergency Management.
- As referenced in my September report, staff consulted with Virginia Department of Emergency Management (VDEM) staff regarding the timing of an application for funding to support the next update of the regional Hazard Mitigation plan. Based on available funding and other regions with plans set to expire prior to our adopted plan, VDEM suggested that we hold off on an application until next year's grant cycle.
- RRRC staff will coordinate with our local partners to conduct the annual milestone and progress report on the existing Hazard Mitigation plan before the anniversary date of December 13th.
- Staff continues to participate with Rappahannock-Rapidan Health District on jurisdiction calls related to COVID-19 and background support for outreach and testing sites

Local Technical Assistance

- Staff continue to assist Rappahannock County with mapping for the County comprehensive plan update
- Provided GIS and mapping assistance related to potential broadband projects in Madison County

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MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission

From: Patrick L. Mauney, Executive Director

Date: October 20, 2020

Subject: Regional Transportation Collaborative / FAMS Update

If you recall last October, staff presented information on funding changes related to the Foothills Area Mobility System (FAMS), FAMS Call Center and Foothills Express. In follow-up to those changes, the Commission submitted an application to the PATH Foundation in February to offset decreases in state and federal funding for the Call Center program.

Subsequent discussions between PATH Foundation representatives and staff resulted in awarding of additional funding oriented around a refining of the FAMS program to foster a Regional Transportation Collaborative focused on coordination and collaboration of existing volunteer driver programs to ensure effective mobility options and reduce duplication of services.

Staff will present information on the Regional Transportation Collaborative model at the October 28th meeting. An introductory meeting for the Collaborative will be held on Thursday, October 29th at 1:00 p.m. via Zoom.

REQUESTED ACTION: None required at this time.

EFFICIENT · COMPREHENSIVE · STRATEGIC · COLLABORATIVE · INNOVA

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Regional Transportation Collaborative

Efficient, Complex, Strategic and Cooperative Mobility Management Model designed to impact transportation in the Rappahannock-Rapidan region; leveraging key participation and resources from transportation providers, agencies serving individuals with barriers to transportation, non-traditional stakeholders, as well as local governments to implement inclusive, wide-ranging, accessible Mobility Management Efforts.

PROGRAM COMPONENTS

- New & Renewed Partnerships
- Efficient Leveraging of Resources
- Coordinated Implementation of New Programs
- Prioritized & Data Supported Focuses
- Five Part-Time Mobility Staff Positions
- Financial Support for Two Volunteer Driver Programs
- Streamlined Records & Background Checks
- Annual Recognition & Fundraising Event
- Volunteer Appreciation Funding
- Donate it Forward Incentive Program
- Regional Data Collection & Resource Management Software
- Two Community Presence/Awareness Campaigns
- Two Specialized Mobility Support Contracts
- Two Paid Ride Service Programs
- Gas Card Supplemental Program
- Resource Referral Outreach Materials
- Twelve Months of Communication & Engagement Projects

FY21 BUDGET 150K +

Introducing . . .

A new over arching collaborative model focused on improving mobility programs for aging adults with inclusive supports aimed to benefit the entire community.

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Rappahannock-Rapidan REGIONAL COMMISSION

MEMORANDUM

To: **Members of the Rappahannock-Rapidan Regional Commission**

From: **Patrick L. Mauney, Executive Director**

Date: **October 20, 2020**

Subject: **USDA NRCS Regional Conservation Partnership Program**

You may recall discussion of the Regional Conservation Partnership Program (RCPP) grant through the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) from last October. At that time, the Commission authorized staff to work with partner organizations to develop an application to the program. Ultimately, the partners determined that an application in 2019 was not feasible, but have continued discussions throughout 2020.

While the final proposal is still in development, the focus of the RCPP proposal for the Rappahannock-Rapidan region is to establish a pool of NRCS funding to assist landowners and producers implement best management practices that can improve water quality, reinvigorate farm productivity, profitability, and viability, enhance wildlife habitat, and provide long term conservation of rural agricultural land. Any project would be voluntary.

Under the 2018 Federal farm bill, $300 million per year is available for RCPP funded projects. RCPP proposals may request up to $10 million in funding over a five-year period, which is matched by partner contributions. It is estimated that a RCPP grant proposal for the RRRC region could request $3 million, though potential partners continue to evaluate the mix of projects and practices that could be included in the proposal. Most of the funding would be administered by USDA NRCS.

In addition to partnering to develop the grant application, RRRC staff also possess experience in Federal/State grant management that would be applicable to a successful application and award. Project partners have identified RRRC as a strong candidate to serve as lead partner and grant administrator for the proposal. In such a capacity, RRRC would be responsible for reporting and communicating with NRCS staff on project status and metric coordination and would be eligible to receive Enhancement Technical Assistance funds (up to 7% of grant award) to provide project management, outcomes tracking, outreach and communications. Other project partners noted above be responsible for "on the ground" implementation of projects and best practices in coordination with voluntarily participating landowners. RRRC will not be responsible for providing any partner funding related to on the ground projects.

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Applications are due by November 30, 2020.

The RCPP "promotes coordination of NRCS conservation activities with partners that offer value-added contributions to expand our collective ability to address on-farm, watershed, and regional natural resource concerns. Through RCPP, NRCS seeks to co-invest with partners to implement projects that demonstrate innovative solutions to conservation challenges and provide measurable improvements and outcomes tied to the resource concerns they seek to address."

To date, RRRC staff and various partner agencies have held preliminary discussions about a potential application for an RCPP grant focused on the Rappahannock-Rapidan region. These partners include USDA NRCS, Piedmont Environmental Council, John Marshall Soil & Water Conservation District, Friends of the Rappahannock, American Farmland Trust, American Battlefield Trust and the Smithsonian Institution's Virginia Working Landscapes (VWL) initiative. Staff at the Culpeper Soil & Water Conservation District have been apprised of, and given feedback on, the possible project, as well.

The attachment included here provides an overview of the RCPP program. Please note that the application deadline listed on the attachment is from last year, but the program information remains the same.

REQUESTED ACTION: Consider authorization of RRRC staff to continue work with partner agencies on RCPP grant and for RRRC to be identified as lead partner in the application

United States Department of Agriculture

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Regional Conservation Partnership Program

Natural Resources Conservation Service

USDA's Natural Resources Conservation Service offers voluntary Farm Bill programs that benefit both agricultural producers and the environment.

Overview

The Regional Conservation Partnership Program (RCPP) promotes coordination of NRCS conservation activities with partners that offer value-added contributions to expand our collective ability to address on-farm, watershed, and regional natural resource concerns. Through RCPP, NRCS seeks to co-invest with partners to implement projects that demonstrate innovative solutions to conservation challenges and provide measurable improvements and outcomes tied to the resource concerns they seek to address.

Benefits

RCPP makes available a variety of NRCS conservation activities to help partners, ag producers, and private landowners address local and regional natural resource challenges.

How It Works

Partners apply to NRCS for RCPP project awards. Once projects are selected, NRCS works with partners to set aside a certain pool of funding for an awarded project. Producers, landowners, and partners then enter into producer contracts and supplemental agreements with NRCS to carry out agreed-to conservation activities.

Who is Eligible?

Only eligible organizations interested in partnering with NRCS on conservation projects can develop applications for the RCPP competition. The lead partner for an RCPP project is the entity that submits an application, and if selected for an award is ultimately responsible for collaborating with NRCS to successfully complete an RCPP project.

See the RCPP funding announcement for details about what types of organizations are eligible to apply.

RCPP projects must be carried out on agricultural or nonindustrial private forest land or associated land on which NRCS determines an eligible activity would help achieve conservation benefits.

Conservation Activities

RCPP projects may include any combination of authorized, on-the-ground conservation activities implemented by farmers, ranchers, and forest landowners. These activities include:

- Land management/land improvement/ restoration practices
- Land rentals
- Entity-held easements
- United States-held easements
- Public works/watersheds.

How to Apply

Interested partners must apply through the RCPP portal (nrcs.my.salesforce.com). Applications are being accepted through December 3, 2019.

Once RCPP projects are selected, producers and landowners can apply to participate in projects that cover their geographic area. Interested producers should visit their local USDA Service Center to see if their land is included in the scope of any existing RCPP projects.

What's New in the 2018 Farm Bill

RCPP is now a standalone program with its own funding–

$300 million annually.

NRCS may award up to 15 Alternative Funding Arrangement projects, which are more grant-like and rely more on partner capacity to implement conservation activities.

RCPP now has two funding pools-- Critical Conservation Areas and a State/ Multistate pool.

RCPP partners must develop and report on environmental outcomes.

More Information

For more information, visit **nrcs.usda.gov/ farmbill** or **farmers. gov.**

Find your local USDA Service Center at **farmers.gov/service-locator.**

Natural Resources Conservation Service

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Rappahannock-Rapidan
REGIONAL COMMISSION

MEMORANDUM

To: **Members of the Rappahannock-Rapidan Regional Commission**

From: **Patrick L. Mauney, Executive Director**

Date: **October 20, 2020**

Subject: **Application to GO Virginia for Regional Entrepreneurship Program**

Commission staff have participated in recent discussions with local partners interested in expanding the success of the Young Entrepreneurs Program developed through a GO Virginia Region 9 Enhanced Capacity Building grant awarded to Fauquier County and partners in 2019. That project is now complete and project partners are seeking follow-on funding to expand the effort.

Presently, an application to GO Virginia for project funding is being developed and an overview will be provided on October 28th with follow-up discussion expected at the December 9th meeting. Staff brings this to you at this meeting to introduce the concept and solicit feedback and or additional direction from the Commission.

REQUESTED ACTION: Consider authorization of RRRC staff to continue work with partner agencies on GO Virginia grant application expanding Youth Entrepreneurship and for RRRC to be identified as lead partner in the application