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# COMMONWEALTH of VIRGINIA

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## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

### Memorandum

To: Municipal Utility Relief Program Awardees  
From: David Conmy, Virginia Department of Housing and Community Development (DHCD)  
Date: March 16, 2021  
Re: Budget Language on One Relief Payment Limitation and Survey on Programs

**This memo is to inform you that the conference report budget recently approved by the General Assembly contains an amendment that would strike the language limiting municipal utility relief customers to one relief payment.** A highlighted, strike-through version of the corresponding budget language has been included at the end of this memo for your reference.

**Please note that this language will not become effective until the Governor signs the budget.** This typically occurs sometime in late April or early May. Therefore, municipal utility relief program awardees should continue to operate such programs with the one payment limitation until these changes become law.

Until the amended budget is signed by the Governor, we encourage municipal utility relief program awardees to maintain a list of utility customers who have already received a relief payment and go back into arrearages again. This will ensure that assistance could be provided in a timelier manner once this new language goes into effect.

**Furthermore, it is imperative for new customer attestation forms to be collected for the additional relief payments so that proper documentation can be accounted regarding customers who receive more than one payment.**

**Finally, DHCD would like to survey municipal utility relief program awardees on the progress of your local programs. This will help the agency determine if your municipality is ready to be awarded any additional unclaimed funds at the state level by other municipal utilities that chose not to participate in this program.** We would greatly appreciate everyone's prompt response in responding to this survey and responses will be required by COB Wednesday March 31, 2021, to be considered for an additional allocation.

**Link to survey:**

<https://survey.alchemer.com/s3/6228281/Municipal-Utility-Relief-Program-Status-Survey>

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5.a. The ~~appropriation~~ **allocations** in this item include \$100,000,000 the first year from the Coronavirus Relief Funds cited in paragraph B.2. above to be used to help provide direct assistance to customers with accounts over 30 days in arrears. In order to be eligible for the funds provided in this paragraph, utilities must be subject to the utility disconnection moratorium established in Item 4-14, clause 7.a. of this act. The State Corporation Commission shall establish an application process in order to distribute funds directly to utilities for the purpose of efficiently providing direct assistance to customers. The Commission shall award funds in a manner that will provide direct assistance to customers with accounts over 60 days in arrears prior to awarding funds to subsidize customer accounts 30 days in arrears. Any federal Coronavirus Relief Funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) provided to a phase II utility pursuant to this paragraph shall exclude the forgiveness of jurisdictional customer balances as specified in Item 4-14, clause 7, paragraph j. of this act. The State Corporation Commission shall transfer any dollars necessary to address the arrearages held by customers of utilities outside the jurisdiction of the Commission to the Department of Housing and Community to pass along to these utilities. Notwithstanding § [2.2-4002](#), Code of Virginia, the provisions contained in this paragraph 5.a. establishing the utility direct assistance program shall not be subject to the Administrative Process Act.

b. Upon receipt of any funds provided in paragraph 5.a., utilities shall create separate COVID-19 Utility Assistance Funds and record direct assistance payments to customers on their books in accordance with applicable accounting standards. Utilities may not direct any funds provided in paragraph 5.a. to new deposits, down payments, fees, late fees, interest charges, or penalties. Utilities may require the customer to attest to the utility or to a third party chosen by the utility that the customer has experienced a financial hardship resulting directly or indirectly from the public health emergency or that they have experienced a hardship to pay during the public health emergency prior to receiving direct assistance from the utility's COVID-19 Utility Assistance Fund. While utilities may require attestation of such hardship, it may be implied that arrearages accrued over 30 days for customer nonpayment of bills, for which federal relief funds shall be used for direct subsidy payments on behalf of customers pursuant to Item 4-14, paragraph d. of this act., were incurred as a financial hardship created by the pandemic. Utilities shall reflect the direct assistance payment on an eligible customer's monthly bill, after the funds are applied to the customer's account. ~~Utility customers may only receive a direct payment subsidy from the utility's COVID-19 Utility Assistance Fund once.~~

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G. If, as of December 1, ~~2020~~ **2021**, the Governor determines that any of the amounts outlined in ~~paragraphs B.1. through B.18~~ **paragraph B.** of this item cannot be spent for the purposes outlined ~~in such~~ **in the** subparagraphs ~~under paragraph B.~~, he shall have the authority to shift unspent allocations to any other purpose outlined in paragraph B. ~~If, as of December 18, 2020, the Governor reports unspent allocations remain, all such amounts shall be transferred to Unemployment Compensation Fund established pursuant to § 60.2-300. However, if~~ **If** Congress extends the expiration date for the use of Coronavirus Relief Funds, then the date by which the Governor shall be allowed to shift allocations is 30 days prior to the new expiration date for the use of the federal funds and any remaining unallocated funds as of 12 days prior to the expiration date shall be allocated to the Unemployment Compensation Fund.

H.1. If, after December 30, ~~2020~~ 2021, but prior to the required return of unspent federal Coronavirus Relief Funds, federal guidelines allow for unspent funds to be shifted to other qualifying expenses, the Governor shall have the authority to shift and reclassify such unspent amounts to eligible expenses in order to maximize the Commonwealth's use of the funds. Such unspent funds shall include any funds that are returned to the Commonwealth by subrecipients.

2. If, after December 30, ~~2020~~ 2021, but prior to the required return of unspent federal Coronavirus Relief Funds to the federal government, the Governor determines that unspent funds remain after any reclassification pursuant to paragraph H.1. above, the Governor shall transfer those unspent funds to the Unemployment Compensation Fund established pursuant to § [60.2-300](#) pursuant to federal guidelines to reimburse any qualifying expenses.

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