



TOWN COUNCIL WORK SESSION AGENDA

Herndon Council Chambers
765 Lynn Street, Herndon, VA 20170

Tuesday, March 10, 2026 | 7:00 PM

- 1. Call to Order**
- 2. Discussion**
 - a. Housing Study and Interim Policy Follow Up
 - b. Proposed Community Donation Policy - Follow Up
 - c. FY 2027 Proposed Budget
- 3. Roundtable**
- 4. Closed Meeting**
 - a. A closed meeting pursuant to the Code of Virginia Section 2.2-3711(A)(1), for discussion of prospective candidates relative to appointments to boards and commissions
- 5. Adjournment**

Agenda Item: Housing Study and Interim Policy Follow Up

Meeting Date: March 10, 2026

Category: Discussion

Prepared by: Lisa Gilleran, Director of Community Development, David Stromberg, Zoning Administrator

Description:

The attached resolution establishes interim policy to support and expand affordable housing opportunities prior to the adoption of the future 2050 Comprehensive Plan.

Background/Timing Impact:

On February 17, 2026, the Town Council and Planning Commission held a joint work session at which time the Town's housing consultant, TPMA, presented findings and recommendations from the Town of Herndon Housing Study Final Report dated February 2026. The report included several recommendations regarding housing needs and potential actions that the Town can take to expand and protect housing affordability.

Staff recommends that the Town Council establish an interim policy towards supporting and expanding affordable housing opportunities within the Town. While the future 2050 Comprehensive Plan will establish policies on housing needs, diversification, and affordability, the 2050 Comprehensive Plan project will take approximately two years to complete. Interim policies will allow the staff to move forward with efforts to support and expand affordable housing policies in the interim. The attached resolution provides the necessary interim policies, including exploration of a partnership with Fairfax County Redevelopment and Housing Authority (FCRHA), employment of interim policies for the establishment of affordable units that mirror FCRHA's standards and policies, and explicit encouragement of housing and mixed-use proposals that provide affordable units as well as diversity in housing options.

Timing Impact:

As explained in the resolution, this interim policy is proposed to advance affordable housing and diverse housing opportunities within the town, while the new Town of Herndon Comprehensive Plan is being developed and adopted. The new comprehensive plan will include a more robust detailed housing policy designed to secure a diversity of housing options, including affordable housing, but the comprehensive plan project is anticipated to take approximately two years to complete. The proposed resolution becomes effective on the date of its adoption and sunsets

upon the adoption of the future 2050 Comprehensive Plan.

Strategic Focus Area:

Environmental and Economic Sustainability

Fiscal Impact:

Known Cost: The contract with TPMA is a two-phase agreement. Phase one, the Town of Herndon Housing Study Final Report, has been completed. Phase two provides consulting services to assist staff in drafting land use and zoning implementation language consistent with the Affordable Housing Plan, including alignment with Fairfax County Redevelopment and Housing Authority (FCRHA) policies. The cost of phase two is \$23,176, which has been previously allocated and encumbered.

Contingent Administrative Cost: If affordable units are created prior to the establishment of an MOU with the FCRHA, the Town would be responsible for administering those units. The cost would depend on the number of units created and the length of time between unit creation and MOU execution. Staff will pursue the MOU expeditiously to minimize this exposure.

Ongoing Enforcement Cost: Based on preliminary discussions with Fairfax County, the County is open to an MOU for unit administration but anticipates that the Town would retain enforcement responsibility. The cost of this enforcement function is currently unknown. Staff will develop a clearer understanding of scope and resource requirements through the MOU negotiation process and will report back to Council accordingly.

Legal Impact:

N/A

Staff Recommendation/Next Steps:

Staff recommends adoption of the resolution.

Attachments:

1. Interim Housing Policy Resolution

**TOWN OF HERNDON, VIRGINIA
TOWN COUNCIL**

RESOLUTION

MARCH 24, 2026

Resolution- to establish interim policy to support and expand affordable housing opportunities.

The Town of Herndon Town Council, upon consideration of the findings and recommendations of the Town of Herndon Housing Study Final Report, dated February 2026 and submitted by the Town's housing consultants, TPMA, finds that interim policies are necessary to promote affordable housing opportunities and diversify housing options in advance of the adoption of the 2050 Town of Herndon Comprehensive Plan.

THEREFORE, BE IT RESOLVED by the Town Council of the Town of Herndon, Virginia that:

1. The Town Council encourages housing and mixed-use proposals that provide affordable units and diversify housing options.
2. To that end, the Town Council directs staff to employ an interim policy for the establishment of affordable units that mirrors the standards and administrative elements of the Fairfax County affordable housing policies, to the greatest extent possible.
3. The staff is further directed to explore the establishment of a partnership with the Fairfax County Redevelopment and Housing Authority (FCRHA) and pursue an MOU to permit the FCRHA to administer affordable housing within the Town.
4. This interim policy shall cease with the adoption of the 2050 Comprehensive Plan, which will establish the Town's future housing policies.
5. This resolution shall be in effect from the date of its adoption.

Agenda Item: Proposed Community Donation Policy - Follow Up

Meeting Date: March 10, 2026

Category: Discussion

Prepared by: Dan Hoffman, Town Manager

Description:

At the direction of Town Council, staff prepared a draft Community Donation Policy for Town Council consideration. A draft policy was first presented and discussed during the January 13, 2026 work session, and then again during the February 10, 2026 work session. As a result of those discussions, staff has provided a revised draft policy for Council consideration and direction.

Background/Timing Impact:

In 2023, the Town Council repealed the Town's charitable/non-profit donation policy, which was an application process by which nonprofit organizations could request a donation from the town for programs or services benefiting the Herndon community. Since then, as part of the annual budget process, Town Council has approved direct donations to arts organizations operating within the Town of Herndon. The repeal of the charitable or non-profit donation policy eliminated the Town's competitive, open process through which community organizations could request funding for events, activities, and programming intended to benefit the broader community.

In early 2024, and in recognition of the desire to support community events beyond the specific arts organizations receiving funding through the Town's budget process, Town Council established the Community Cultural Festivals Donation Policy. This policy created a mechanism for nonprofit organizations to request funding support for new events held within the Town. Since its adoption, the policy has been amended twice, and funding has been included in the FY 2024, FY 2025, and FY 2026 budgets. In addition, the Town Council recently adopted a small donations policy that provides authority to the Town Manager to approve small donations of less than \$250.

Since the inception of the Community Cultural Festivals Donation Policy, staff has provided Council with multiple updates regarding the status and use of the program, as well as briefings on the Town's broader event programming and special event review process. Separately, the Town has continued to allow local organizations to utilize Town property for community events through an established special event permitting and review process.

With Council's stated goals of: (1) supporting representative and diverse community event programming within the Town, and (2) supporting local nonprofit organizations, Council directed staff to develop a more comprehensive and consistent donation program that would better achieve these objectives.

During the January 13, 2026 work session, staff briefed the Town Council on a proposed Community Donation Policy that consolidates and replaces the existing De Minimis (small) Donation Policy and the Community Cultural Festivals Donation Policy. In a follow-up to that discussion, during the February 10, 2026 work session, staff reviewed several test donation scenarios utilizing the Evaluation Matrix included in the proposed policy. As a result of these discussions, staff has provided updates to the proposed policy that:

- Under Section V. Funding and Eligibility, adds "Allocation by Request Size" to allow for up to 25% of the total annual donation appropriation reserved for eligible organizations requesting \$2,500 or less. All applications, regardless of size, will be evaluated using the Community Donation Evaluation Matrix. The Town Manager may reallocate funds between ranges to maximize community benefit and ensure full and effective use of available resources.
- Under Section VII. Evaluation Criteria Matrix, revises Community Benefit "evaluation factors" and "scoring guidance" to reduce subjectivity by basing on observable factors.

FY 2027 Implementation Plan

The proposed policy includes an annual application period that coincides with the town's annual budget process. Due to the timing of this policy consideration occurring toward the end of that process this year, staff has prepared a program rollout timeline that would occur beginning at adoption of the policy, with disbursements occurring in July 2026 utilizing FY 2027 allocated funding. This timeline will only apply to first year program rollout; FY 2028 and future years will follow the timeline included in the policy.

The below 2026 draft timeline and communication strategy assumes policy adoption at the Town Council's March 24, 2026 regular meeting.

- March 25 - April 26, 2026: Program Rollout (press release, website, digital media, reach out to organizations, etc.)
- April 27 - May 8, 2026: Application Period Open (continued digital media push)
- May 18 - May 29, 2026: Staff review & evaluation
- June 1 - June 12, 2026: Town Manager reviews & approves
- June 13 - July 15, 2026: applicants notified, awards issued (announcement of awardees - press release, digital media)

Timing Impact:

Considering and adopting the comprehensive Community Donation Policy early in the calendar year will support Town Council in allocating and appropriating donation funding

as part of the FY 2027 budget process. Upon adoption, the policy would take effect immediately, with staff preparing to launch the program in late spring using funds appropriated in the FY 2027 budget. Funding levels for the program remain at the discretion of Town Council.

Establishing Council direction on community donations at this time will also allow staff to provide clear and consistent guidance to organizations currently receiving Town support, particularly for events planned for late 2026 and 2027. Many community organizations begin planning large-scale events a year or more in advance, and early policy direction will support effective planning and coordination.

Strategic Focus Area:

- Strong Fiscal Stewardship
- Good Governance
- Thriving Community

Fiscal Impact:

Donations are discretionary and subject to Town Council approval through the annual budget process. Any funding designated for community donations will be allocated and appropriated by Town Council as part of that process. Distribution of approved funds will be administered in accordance with the Town Council–adopted Community Donation Policy and applicable administrative guidelines.

Legal Impact:

In accordance with the Code of Virginia Section 15.2-953, localities may appropriate funds to any charitable or non-profit organization if the organization provides services to the residents of the locality and if such organizations are not controlled in whole or in part by any church or sectarian society.

Staff Recommendation/Next Steps:

Staff is seeking any additional direction from Town Council on the proposed policy; staff recommends scheduling a resolution to consider adoption of a Community Donation Policy at a Town Council regular meeting.

Attachments:

1. DRAFT Policy (Redline)
2. DRAFT Policy (Clean)
3. Application (DRAFT)

Town of Herndon Community Donation Policy

I. Purpose

The purpose of this policy is to establish a fair, transparent, and consistent process for providing Town donations to qualified community-based nonprofit or not-for-profit organizations that deliver programs, events, and services which advance the Town's strategic priorities and enhance the quality of life in Herndon.

This policy consolidates and replaces all prior donation programs, including the Community Cultural Festivals Donation Policy (as amended, 25-G-36) and the Small (De Minimis) Donation Policy (25-G-41), creating one unified structure for annual community donations administered by Town staff under guidelines set by Town Council.

Donations and Town support are discretionary and subject to funding availability and operational capacity.

II. Policy Objectives

1. **Equity and Transparency:** Ensure equal opportunity for qualified organizations to apply for Town donations through a clear, time-bound, and publicly announced process.
2. **Strategic Alignment:** Direct Town resources toward programs that reflect the Town's strategic priorities.
3. **Operational Efficiency:** Empower Town staff to administer the program objectively, without requiring case-by-case Town Council action.
4. **Accountability:** Provide clear evaluation criteria and consistent reporting requirements.

III. Program Structure

1. **Program Administration:** The program is administered by Town staff under the direction of the Town Manager.
2. **Town Council Role:** Confirms program framework and evaluation matrix, as well as annual funding allocation through the annual budget adoption process. Town Council does not review or approve individual applications.

3. State Code Authority: In accordance with the Code of Virginia Section 15.2-953, localities may appropriate funds to any charitable or non-profit organization if the organization provides services to the residents of the locality and if such organizations are not controlled in whole or in part by any church or sectarian society.

IV. Donation Categories

1. Community Donation
 - a. To support qualified community-based nonprofit or not-for-profit organizations providing community-based programs, events, educational initiatives, or services that align with the Town's strategic plan.
 - b. Maximum annual funding and application requirements:
 - i. Eligible organizations may submit only one application per fiscal year. An eligible organization may request funding for multiple programs, services, events, or initiatives within a single application.
 - ii. Maximum donation of up to \$50,000 per organization per fiscal year, regardless of the number of programs, services, or events included in the application.
 - iii. Applications submitted by the same organization in excess of this limit, or outside of the single-application requirement, will not be considered.
 - c. Town Facilities and Services (Cost Recovery; Subject to Availability): Town facilities and Town-provided services, including but not limited to Police, Public Works, Parks, or other operational support, are not guaranteed and are subject to staff availability, operational capacity, and approval through applicable Town processes. Organizations requesting the use of Town facilities or Town-provided services in support of an event, program, or activity must include the full cost of such facilities and services in the project budget and donation request submitted with the application. Approved donation awards may be used to pay for eligible Town facility use fees and Town-provided services on a cost-recovery basis. The Town does not waive facility fees or donate services under this policy. Town services are not donated, not waived, and not guaranteed.
 - d. Donation awards will not exceed 75% of the organization's annual revenue, based on the organization's most recently completed fiscal year financial statements, and inclusive of the value of any Town facilities or services funded through the donation award.
 - e. Donation requests under this category are evaluated using the Community Donation Evaluation Matrix.

- f. Awards are discretionary and subject to available funding; submission of an application does not guarantee funding.
 - g. Awardees are required to submit an annual summary describing fund use and program outcomes of previous year donations.
2. De Minimis (Small) Donations
 - a. To provide small discretionary contributions to non-profit and not-for-profit organizations.
 - b. De Minimis Donations are defined as a donation of cash, services, or items with a value per donation of less than \$250.
 - c. Approval of small donation requests are determined by the Town Manager.
3. Facility Use Fees
 - a. The Town Manager is authorized to waive Town facility use fees for federal, state, and local elected representatives and other governmental entities when hosting official constituent of public meetings in or on Town-owned properties. The Town does not promote or advocate political or religious events or activities. This provision does not apply to nonprofit or community organizations requesting support under the Community Donation Program.
 - b. For all other qualified, community-based nonprofit or not-for profit organizations, donation requests made under the Community Donation program may be used to pay for facility use fees for events or activities held on Town-owned property.
 - c. Use of Town property and facilities for events funded through this program remains subject to the Town's Special Events Guidelines and Special Event Permit requirements.

V. Funding and Eligibility

1. Annual Funding: Council appropriates a total funding amount each fiscal year during budget adoption. Once funds are exhausted, no additional awards are made with the fiscal year.
2. Allocation by Request Size: To promote equitable access to town funding for organizations of varying sizes and capacity, the annual Community Donation appropriation shall be allocated as follows:
 - a. Up to twenty-five percent (25%) of the total annual appropriation for Community Donations shall be reserved for eligible organization requesting \$2,500 or less.

- b. The remaining seventy-five percent (75%) of the annual appropriation for Community Donations shall be available for eligible organizations requesting more than \$2,500 and up to the maximum allowable request amount.
 - c. All applications, regardless of request size, will be evaluated using the Community Donation Evaluation Matrix.
 - d. If sufficient qualified applications are not received within either funding range, the Town Manager may reallocate funds between ranges to maximize community benefit and ensure full and effective use of available resources.
3. Eligible Applicants: Nonprofit or not-for-profit organizations 501(c)(3), 501(c)(4), or 501(c)(6) in good legal standing, based in Virginia with address of record on file with SCC, established for a minimum of two years, providing services, programs, events, or activities that benefit the residents of the Town of Herndon. Individuals and businesses are not eligible for funding through this program. Monies will not be remitted to individuals, business entities, or announced candidates for political office. The Town does not promote or advocate political or religious events.

VI. Application and Review Process

1. Community Donation Program

During the annual open application period, organizations will submit a Community Donation Request Application. See timeline below. (Events subject to the Special Events Guidelines may also be evaluated using criteria outlined in the Special Event Rating Scale for operational and designation purposes.)

These deadlines apply to all categories of donation requests of \$250 or more in value.

Step	Timeline	Responsible Party	Description
Application Period	January 1 – February 15	Applicant	Organizations submit applications with required documentation (event/program/service description, proposed budget, anticipated impact).
Staff Review & Evaluation	March 1 – May 1	Community Donation Evaluation Committee	Committee reviews and scores applications using the Council-approved evaluation matrix.
Award Determination	May 2 – June 1	Town Manager	Town Manager reviews staff recommendations and approves final awards.
Award Notification	July 1	Finance Department	Applicants notified of results; award agreements issued.

The Community Donation Evaluation Committee consists of three Town staff members appointed by the Town Manager. Committee members with a conflict of interest shall recuse themselves from scoring or discussion of the affected application.

Applications that do not include required documentation, including a complete and itemized budget accounting for Town facility and service costs where applicable, may be deemed incomplete and not eligible for funding.

2. De Minimus (Small) Donation

Organizations may request a Small Donation (value of less than \$250) from the Town throughout the year; these requests are not limited to the open application period for donations of \$250 or more.

Organizations may request a Small Donation by submitting the request to the Town Manager's Office and/or their designee. The Town Manager will review and either approve or deny small donation requests. The decision of the Town Manager is final.

Funding for small donations is included as part of the donation allocation made by Town Council during the annual budget process. Donation requests under this program are subject to funding availability, and on a first-come first-served basis.

VII. Evaluation Criteria Matrix

All applications for the Community Donation Program are evaluated using the following matrix:

Community Donation Evaluation Matrix

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
<p>Community Benefit</p>	<p>30%</p>	<p>The extent to which the proposed event, program, or service is open and welcoming <u>accessible to all members of the Herndon residents</u> and <u>promotes fosters community participation</u>, civic engagement, cultural celebration, education, or enrichment.</p>	<p>1 (Limited): Restricted or primarily limited to a specific membership group, organization, neighborhood, or invitation-only audience. Participation is limited or access barriers exist. Limited outreach to broader Herndon community. Serves a defined population or area of the Town or group; narrow or exclusive audience.</p> <p>3 (Moderate): <u>Open to the public and includes outreach to Herndon community. Participation from multiple groups or neighborhoods within the town, but primary audience is relatively targeted or the scale of the engagement is moderate. Free and open to the public; serving two or more defined populations or area(s) of the Town, but limited engagement.</u></p> <p>5 (Strong): <u>Free or broadly accessible to the public, intentionally designed to reach a wide cross-section of Herndon residents. Includes clear outreach strategies to reach multiple community groups. Initiative promotes community interaction, civic engagement, or cultural exchange; demonstrates strong potential for community participation. and open to the public, broad public benefit, multicultural, and focused on community building.</u></p>
<p>Alignment with Town Strategic Priorities & Brand</p>	<p>10%</p>	<p>Demonstrates direct alignment with one or more focus areas of the Town’s Strategic Plan. Reinforces the Town’s “Live Differently” brand.</p>	<p>1 (Weak): Does not reference specific Town Strategic Plan focus areas or the “Live Differently” brand.</p> <p>3 (Moderate): Cites at least one strategic focus area and includes the Town brand in promotional materials.</p> <p>5 (Strong): Provides a detailed plan showing how it directly implements two or more Town strategic goals and uses the town brand as a central theme.</p>

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Financial Soundness & Sustainability	15%	Financial health, realism of proposed budget, leveraged funding sources, and ability to sustain the initiative beyond Town support.	<p>1 (High Reliance): Town funding accounts for 75% or more of the total initiative budget.</p> <p>3 (Balanced): Town funding accounts for 40%–60% of the initiative budget, with at least one other committed funding source (e.g., grants, sponsorships).</p> <p>5 (Sustainable): Town funding is less than 25% of the initiative budget, and a multi-year financial plan identifies secured funding for future years.</p>
Organizational Capacity	10%	The organization’s ability to successfully plan and deliver the proposed initiative, based on experience, staff/volunteer capacity, and partnerships.	<p>1 (Minimal): Organization has less than two years of experience with similar initiatives and no documented partnerships.</p> <p>3 (Moderate): Organization has successfully completed at least two similar initiatives and has one or more active partners.</p> <p>5 (Proven): Organization has 5+ years of experience, a dedicated project lead, and formal written agreements with multiple community partners.</p>
Community Reach & Impact	15%	Anticipated reach within the Town of Herndon and regional visibility. For events: expected attendance. For programs/services: measurable participation or outcomes.	<p>1 (Small Group): Expected attendance for events or program participation is less than 50 people.</p> <p>3 (Moderate): Expected attendance for events or program participation is 50–500 people, with documented outreach to at least two different community demographics.</p> <p>5 (Strong): Expected event attendance or program participation exceeds 500 people or serves a regional audience with specific, measurable KPIs for impact.</p>

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Economic Impact	20%	For events or initiatives that attract visitors or promote local business engagement.	<p>1 (Minimal): No plan for local vendor/business involvement or visitor attraction.</p> <p>3 (Moderate): Includes at least two local Herndon businesses as vendors or partners.</p> <p>5 (Clear Benefit): Documented plan to attract out-of-town visitors (e.g., hotel stays) and uses at least five local vendors/businesses.</p>

VIII. Post-Award Requirements

Awardees must sign an agreement, use funds as stated, and submit a report within 60 days of project completion including attendance, outcomes, and financial summary.

IX. Prohibited Contributions and Repayment of Funds

1. The Town shall not waive facility use fees or donate Town services, personnel time, or resources as part of the Community Donation Program. Town facilities, staff support, and operational services (including Police, Public Works, Parks, or other departments) shall be provided on a cost-recovery basis only.

Donation funds awarded under this policy may be used, if approved, to pay for eligible Town facility use fees and Town-provided services identified in the applicant’s approved donation request and budget.

Funds shall not be remitted to individuals, for-profit businesses, or announced candidates for political office. The Town does not promote or advocate political or religious events or activities.

2. Donation funds awarded under this policy must be used for the purposes, programs, services, or events identified in the approved application and agreement.

If an organization fails to initiate, complete, or substantially carry out the approved program, service, or event; materially deviates from the approved use of funds without prior written approval from the Town; or otherwise uses the funds in a manner inconsistent with the approved application or agreement, the Town may require repayment of all or a portion of the donated funds.

The Town Manager shall determine whether repayment is required and the amount of repayment, based on the circumstances and documentation provided. Failure to repay funds as required may result in ineligibility for future Town donations and other remedies available to the Town.

X. Policy Amendments

The Town Manager is authorized to make non-substantive administrative updates and revisions to this policy and set administrative fees, as appropriate.

XI. Effective Date

This policy is effective upon date of adoption and replaces the Community Cultural Festivals Donation Policy as amended (Resolution 25-G-36) and the De Minimis (Small) Donation Policy (Resolution 25-G-41).

Town of Herndon Community Donation Policy

I. Purpose

The purpose of this policy is to establish a fair, transparent, and consistent process for providing Town donations to qualified community-based nonprofit or not-for-profit organizations that deliver programs, events, and services which advance the Town's strategic priorities and enhance the quality of life in Herndon.

This policy consolidates and replaces all prior donation programs, including the Community Cultural Festivals Donation Policy (as amended, 25-G-36) and the Small (De Minimis) Donation Policy (25-G-41), creating one unified structure for annual community donations administered by Town staff under guidelines set by Town Council.

Donations and Town support are discretionary and subject to funding availability and operational capacity.

II. Policy Objectives

1. **Equity and Transparency:** Ensure equal opportunity for qualified organizations to apply for Town donations through a clear, time-bound, and publicly announced process.
2. **Strategic Alignment:** Direct Town resources toward programs that reflect the Town's strategic priorities.
3. **Operational Efficiency:** Empower Town staff to administer the program objectively, without requiring case-by-case Town Council action.
4. **Accountability:** Provide clear evaluation criteria and consistent reporting requirements.

III. Program Structure

1. **Program Administration:** The program is administered by Town staff under the direction of the Town Manager.
2. **Town Council Role:** Confirms program framework and evaluation matrix, as well as annual funding allocation through the annual budget adoption process. Town Council does not review or approve individual applications.

3. State Code Authority: In accordance with the Code of Virginia Section 15.2-953, localities may appropriate funds to any charitable or non-profit organization if the organization provides services to the residents of the locality and if such organizations are not controlled in whole or in part by any church or sectarian society.

IV. Donation Categories

1. Community Donation
 - a. To support qualified community-based nonprofit or not-for-profit organizations providing community-based programs, events, educational initiatives, or services that align with the Town's strategic plan.
 - b. Maximum annual funding and application requirements:
 - i. Eligible organizations may submit only one application per fiscal year. An eligible organization may request funding for multiple programs, services, events, or initiatives within a single application.
 - ii. Maximum donation of up to \$50,000 per organization per fiscal year, regardless of the number of programs, services, or events included in the application.
 - iii. Applications submitted by the same organization in excess of this limit, or outside of the single-application requirement, will not be considered.
 - c. Town Facilities and Services (Cost Recovery; Subject to Availability): Town facilities and Town-provided services, including but not limited to Police, Public Works, Parks, or other operational support, are not guaranteed and are subject to staff availability, operational capacity, and approval through applicable Town processes. Organizations requesting the use of Town facilities or Town-provided services in support of an event, program, or activity must include the full cost of such facilities and services in the project budget and donation request submitted with the application. Approved donation awards may be used to pay for eligible Town facility use fees and Town-provided services on a cost-recovery basis. The Town does not waive facility fees or donate services under this policy. Town services are not donated, not waived, and not guaranteed.
 - d. Donation awards will not exceed 75% of the organization's annual revenue, based on the organization's most recently completed fiscal year financial statements, and inclusive of the value of any Town facilities or services funded through the donation award.
 - e. Donation requests under this category are evaluated using the Community Donation Evaluation Matrix.

- f. Awards are discretionary and subject to available funding; submission of an application does not guarantee funding.
 - g. Awardees are required to submit an annual summary describing fund use and program outcomes of previous year donations.
2. De Minimis (Small) Donations
- a. To provide small discretionary contributions to non-profit and not-for-profit organizations.
 - b. De Minimis Donations are defined as a donation of cash, services, or items with a value per donation of less than \$250.
 - c. Approval of small donation requests are determined by the Town Manager.
3. Facility Use Fees
- a. The Town Manager is authorized to waive Town facility use fees for federal, state, and local elected representatives and other governmental entities when hosting official constituent of public meetings in or on Town-owned properties. The Town does not promote or advocate political or religious events or activities. This provision does not apply to nonprofit or community organizations requesting support under the Community Donation Program.
 - b. For all other qualified, community-based nonprofit or not-for profit organizations, donation requests made under the Community Donation program may be used to pay for facility use fees for events or activities held on Town-owned property.
 - c. Use of Town property and facilities for events funded through this program remains subject to the Town's Special Events Guidelines and Special Event Permit requirements.

V. Funding and Eligibility

1. Annual Funding: Council appropriates a total funding amount each fiscal year during budget adoption. Once funds are exhausted, no additional awards are made with the fiscal year.
2. Allocation by Request Size: To promote equitable access to town funding for organizations of varying sizes and capacity, the annual Community Donation appropriation shall be allocated as follows:
 - a. Up to twenty-five percent (25%) of the total annual appropriation for Community Donations shall be reserved for eligible organization requesting \$2,500 or less.

- b. The remaining seventy-five percent (75%) of the annual appropriation for Community Donations shall be available for eligible organizations requesting more than \$2,500 and up to the maximum allowable request amount.
 - c. All applications, regardless of request size, will be evaluated using the Community Donation Evaluation Matrix.
 - d. If sufficient qualified applications are not received within either funding range, the Town Manager may reallocate funds between ranges to maximize community benefit and ensure full and effective use of available resources.
3. Eligible Applicants: Nonprofit or not-for-profit organizations 501(c)(3), 501(c)(4), or 501(c)(6) in good legal standing, based in Virginia with address of record on file with SCC, established for a minimum of two years, providing services, programs, events, or activities that benefit the residents of the Town of Herndon. Individuals and businesses are not eligible for funding through this program. Monies will not be remitted to individuals, business entities, or announced candidates for political office. The Town does not promote or advocate political or religious events.

VI. Application and Review Process

1. Community Donation Program

During the annual open application period, organizations will submit a Community Donation Request Application. See timeline below. (Events subject to the Special Events Guidelines may also be evaluated using criteria outlined in the Special Event Rating Scale for operational and designation purposes.)

These deadlines apply to all categories of donation requests of \$250 or more in value.

Step	Timeline	Responsible Party	Description
Application Period	January 1 – February 15	Applicant	Organizations submit applications with required documentation (event/program/service description, proposed budget, anticipated impact).
Staff Review & Evaluation	March 1 – May 1	Community Donation Evaluation Committee	Committee reviews and scores applications using the Council-approved evaluation matrix.
Award Determination	May 2 – June 1	Town Manager	Town Manager reviews staff recommendations and approves final awards.
Award Notification	July 1	Finance Department	Applicants notified of results; award agreements issued.

The Community Donation Evaluation Committee consists of three Town staff members appointed by the Town Manager. Committee members with a conflict of interest shall recuse themselves from scoring or discussion of the affected application.

Applications that do not include required documentation, including a complete and itemized budget accounting for Town facility and service costs where applicable, may be deemed incomplete and not eligible for funding.

2. De Minimus (Small) Donation

Organizations may request a Small Donation (value of less than \$250) from the Town throughout the year; these requests are not limited to the open application period for donations of \$250 or more.

Organizations may request a Small Donation by submitting the request to the Town Manager's Office and/or their designee. The Town Manager will review and either approve or deny small donation requests. The decision of the Town Manager is final.

Funding for small donations is included as part of the donation allocation made by Town Council during the annual budget process. Donation requests under this program are subject to funding availability, and on a first-come first-served basis.

VII. Evaluation Criteria Matrix

All applications for the Community Donation Program are evaluated using the following matrix:

Community Donation Evaluation Matrix

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Community Benefit	30%	The extent to which the proposed event, program, or service is accessible to Herndon residents and promotes community participation, civic engagement, cultural celebration, education, or enrichment.	<p>1 (Limited): Restricted or primarily limited to a specific membership group, organization, neighborhood, or invitation-only audience. Participation is limited or access barriers exist. Limited outreach to broader Herndon community.</p> <p>3 (Moderate): Open to the public and includes outreach to Herndon community. Participation from multiple groups or neighborhoods within the town, but primary audience is relatively targeted or the scale of the engagement is moderate.</p> <p>5 (Strong): Free or broadly accessible to the public, intentionally designed to reach a wide cross-section of Herndon residents. Includes clear outreach strategies to reach multiple community groups. Initiative promotes community interaction, civic engagement, or cultural exchange; demonstrates strong potential for community participation.</p>
Alignment with Town Strategic Priorities & Brand	10%	Demonstrates direct alignment with one or more focus areas of the Town’s Strategic Plan. Reinforces the Town’s “Live Differently” brand.	<p>1 (Weak): Does not reference specific Town Strategic Plan focus areas or the “Live Differently” brand.</p> <p>3 (Moderate): Cites at least one strategic focus area and includes the Town brand in promotional materials.</p> <p>5 (Strong): Provides a detailed plan showing how it directly implements two or more Town strategic goals and uses the town brand as a central theme.</p>

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Financial Soundness & Sustainability	15%	Financial health, realism of proposed budget, leveraged funding sources, and ability to sustain the initiative beyond Town support.	<p>1 (High Reliance): Town funding accounts for 75% or more of the total initiative budget.</p> <p>3 (Balanced): Town funding accounts for 40%–60% of the initiative budget, with at least one other committed funding source (e.g., grants, sponsorships).</p> <p>5 (Sustainable): Town funding is less than 25% of the initiative budget, and a multi-year financial plan identifies secured funding for future years.</p>
Organizational Capacity	10%	The organization’s ability to successfully plan and deliver the proposed initiative, based on experience, staff/volunteer capacity, and partnerships.	<p>1 (Minimal): Organization has less than two years of experience with similar initiatives and no documented partnerships.</p> <p>3 (Moderate): Organization has successfully completed at least two similar initiatives and has one or more active partners.</p> <p>5 (Proven): Organization has 5+ years of experience, a dedicated project lead, and formal written agreements with multiple community partners.</p>
Community Reach & Impact	15%	Anticipated reach within the Town of Herndon and regional visibility. For events: expected attendance. For programs/services: measurable participation or outcomes.	<p>1 (Small Group): Expected attendance for events or program participation is less than 50 people.</p> <p>3 (Moderate): Expected attendance for events or program participation is 50–500 people, with documented outreach to at least two different community demographics.</p> <p>5 (Strong): Expected event attendance or program participation exceeds 500 people or serves a regional audience with specific, measurable KPIs for impact.</p>

Category	Weight	Evaluation Factors	Scoring Guidance (1–5)
Economic Impact	20%	For events or initiatives that attract visitors or promote local business engagement.	<p>1 (Minimal): No plan for local vendor/business involvement or visitor attraction.</p> <p>3 (Moderate): Includes at least two local Herndon businesses as vendors or partners.</p> <p>5 (Clear Benefit): Documented plan to attract out-of-town visitors (e.g., hotel stays) and uses at least five local vendors/businesses.</p>

VIII. Post-Award Requirements

Awardees must sign an agreement, use funds as stated, and submit a report within 60 days of project completion including attendance, outcomes, and financial summary.

IX. Prohibited Contributions and Repayment of Funds

1. The Town shall not waive facility use fees or donate Town services, personnel time, or resources as part of the Community Donation Program. Town facilities, staff support, and operational services (including Police, Public Works, Parks, or other departments) shall be provided on a cost-recovery basis only.

Donation funds awarded under this policy may be used, if approved, to pay for eligible Town facility use fees and Town-provided services identified in the applicant’s approved donation request and budget.

Funds shall not be remitted to individuals, for-profit businesses, or announced candidates for political office. The Town does not promote or advocate political or religious events or activities.

2. Donation funds awarded under this policy must be used for the purposes, programs, services, or events identified in the approved application and agreement.

If an organization fails to initiate, complete, or substantially carry out the approved program, service, or event; materially deviates from the approved use of funds without prior written approval from the Town; or otherwise uses the funds in a manner inconsistent with the approved application or agreement, the Town may require repayment of all or a portion of the donated funds.

The Town Manager shall determine whether repayment is required and the amount of repayment, based on the circumstances and documentation provided. Failure to repay funds as required may result in ineligibility for future Town donations and other remedies available to the Town.

X. Policy Amendments

The Town Manager is authorized to make non-substantive administrative updates and revisions to this policy and set administrative fees, as appropriate.

XI. Effective Date

This policy is effective upon date of adoption and replaces the Community Cultural Festivals Donation Policy as amended (Resolution 25-G-36) and the De Minimis (Small) Donation Policy (Resolution 25-G-41).

Town of Herndon
Community Donation Program
Application for Community Donation Funding
(Requests of \$250 or more)

SECTION 1: ORGANIZATION INFORMATION

Legal Organization Name:

DBA (if applicable):

Nonprofit Status: 501(c)(3) 501(c)(4) 501(c)(6)

Year Established:

Virginia SCC Address of Record:

Street:

City: State: ZIP:

Primary Contact Name & Title:

Phone:

Email:

Website:

Required Uploads: IRS Determination Letter Most recent IRS Form 990 or financial statement

SECTION 2: ORGANIZATION MISSION & SERVICE TO HERNDON (300 words max) Briefly describe your organization's mission, how it serves Town of Herndon residents, and how long it has served the Herndon community.

SECTION 3: PROPOSED PROGRAM / EVENT / SERVICE Name of Program / Event / Service:

Type: Event Program Service Initiative

Date(s):

Time(s):

Location(s):

Is this initiative recurring? Yes No

Is this program or event free and open to the public? Yes No

Estimated Attendance or Participation:

Geographic Reach: Primarily Herndon Regional

SECTION 4: COMMUNITY BENEFIT, INCLUSION & STRATEGIC ALIGNMENT (400 words max)

Describe the community benefit of this initiative, populations served, anticipated impact, and how it aligns with Town Strategic Plan priorities and the “Live Differently” brand.

SECTION 5: FINANCIAL INFORMATION & SUSTAINABILITY

Estimated Total Initiative Budget: \$

Requested Town Donation: \$

% of Budget Funded by Town:

Other Funding Sources (secured or pending):

Sustainability Summary (if recurring – 150 words max):

Required Upload:

- Detailed, itemized budget

SECTION 6: TOWN FACILITIES & SERVICES (COST RECOVERY)

Will Town facilities or services be required? Yes No

If yes, confirm:

All Town facility and service costs are included in the proposed budget

I understand Town facilities and services are provided on a cost-recovery basis, are subject to availability, and are not guaranteed.

SECTION 7: ECONOMIC IMPACT (IF APPLICABLE – 150 words max) Describe local business involvement and anticipated economic impact.

SECTION 8: CERTIFICATIONS By signing below, I certify that:

This is the organization’s only Community Donation application for the fiscal year

All information provided is accurate and complete

Funds will be used only as approved and reporting requirements will be met Authorized Signature:

Printed Name & Title:

Date:

SECTION 9: ATTACHMENTS CHECKLIST

- IRS Determination Letter
- Form 990 / financial statement
- Itemized budget
- Site plans (if event-based)
- Optional supporting materials

Agenda Item: FY 2027 Proposed Budget

Meeting Date: March 10, 2026

Category: Discussion

Prepared by: Dan Hoffman, Town Manager, Marjorie Sloan, Finance Director

Description:

Discussion of the Proposed FY 2027 Budget: Presentation on the proposed budget for the Enterprise Funds. Following the presentation, staff will facilitate further discussion of the FY 2027 Proposed Budget.

Background/Timing Impact:

In accordance with Section 4.2 of the Town Code, the Town Manager has submitted a proposed FY 2027 Budget. The Summary Budget Book has been distributed to members of the Town Council and posted to the town's website. At a previous meeting, the town's Governmental Funds, including the General Fund, Stormwater Management Fund, American Rescue Plan Act (ARPA) Fund, and the Capital Projects Fund were discussed. To facilitate discussion on the town's Enterprise Funds, a presentation will be delivered summarizing the proposed budget for the Water and Sewer Fund, the Chestnut Grove Cemetery Fund, and the Golf Fund.

The presentation will include a recap of the recent Davenport Water and Sewer presentation, and review the proposed FY 2027 water and sewer rates.

Following the presentation and discussion of the Enterprise Funds, the overall discussion will continue with follow-ups and additional discussion on the General Fund proposed budget presented March 3, 2026, as well as the other Governmental Funds as needed.

Timing Impact:

Discussion and review of the Proposed FY 2027 Budget continues in March with public hearings scheduled for April 2026.

Strategic Focus Area:

Strong Fiscal Stewardship
Good Governance

Fiscal Impact:

There is no immediate fiscal impact of the discussion materials presented on March 10, 2026. Impact will occur after adoption by the Town Council, in FY 2027, which begins on July 1, 2026.

Legal Impact:

Per Town Code Section 4.2 and State Code Section 15.2-2503, the Town Manager is required to prepare and submit an annual budget to the Town Council on or before the first day of April each year.

Staff Recommendation/Next Steps:

No formal recommendation submitted with this discussion item.

Attachments:

None