



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Finance & Economic Development Standing Committee

November 19, 2025

Prep Document for Committee Members

Previous Meeting: October 15, 2025

Next Meeting: December 17, 2025

Agenda Overview:

- 8 papers for consideration:
 1. [Ord. 2025-246](#) (increase total grant amount from Nat'l Rec and Parks Assoc. for "We Matter Program" by \$3,817, for a total grant amount of \$73.8k)
 2. [Ord. 2025-247](#) (accept and appropriate \$15 million in state funds, pursuant to a performance agreement, as incentives for infrastructure development by CoStar)
 3. [Ord. 2025-248](#) (accept + appropriate \$25k from AARP to support bus boarding platform on 2nd St)
 4. [Ord. 2025-249](#) (reauthorization of Commercial Area Revitalization Effort (CARE) Program cooperation agreement with EDA; new agreement includes more flexibility around eligible recipients and uses of CARE funds)
 5. [Ord. 2025-250](#) (accept + appropriate \$18.3k from state Dept of Fire Programs)
 6. [Ord. 2025-251](#) (transfer staffing and spending for participatory budgeting function from OCCOS to CAO)
 7. [Res. 2025-R043](#) (displacement mitigation program inventory)
 8. [Res. 2025-R050](#) (request Mayor to build FY27 budget on \$1.16 real estate tax rate)
- Two discussion items:
 - Quarterly ARPA expenditures [update](#) (Department of Budget and Strategic Planning Director Meghan Brown)
 - FY25 budget surplus (Department of Finance Director Letitia Shelton)

1. Ordinance No. 2025-246**Patron Mayor Avula**

Title: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$3,817.00 from the National Recreation and Park Association and to appropriate the increase to the Fiscal Year 2025-2026 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Parks, Recreation, and Community Facilities' Grant - Mentoring Opportunities for Youth Initiative Special Fund by \$3,817.00 for the purpose of providing services to youth impacted by and at risk for substance misuse.

Council Staff Notes (i.e., not included in Administration memo):

- None.

Council Staff Questions:

- How is performance of the We Matter Program evaluated?
- What is the plan, if any, to continue implementing this program in future years if grant funding is no longer available?

2. Ordinance No. 2025-247

Patron Mayor Avula

Title: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$15,000,000.00 from the Commonwealth of Virginia, and to amend the Fiscal Year 2025-2026 Special Fund Budget by creating a new special fund for the Department of Economic Development called "CoStar Special Fund," and appropriating the increase to the Department of Economic Development's CoStar Special Fund by \$15,000,000.00, for the purpose of funding the development of infrastructure at CoStar Realty Information, Inc.'s existing and planned facilities located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond.

Council Staff Notes (i.e., not included in Administration memo):

- The relevant state authority, the Virginia Economic Development Partnership (VEDP), approved the incentive payment as reimbursement for infrastructure development investments documented by CoStar by July 1, 2025.
- Full O&R transmittal includes the infrastructure investment/improvement MOU, including specific infrastructure improvements or additions to be made.

Council Staff Questions:

- Please provide a refresher on the total incentive package offered to CoStar, including local funds, and the terms of the performance agreement (for example, is the company required to provide any specific fringe benefits or merely certify that fringe benefits are offered?).
- When the first performance report is submitted in April, will it be possible to follow up to request information about where the individuals associated with jobs created for the project live?

3. Ordinance No. 2025-248

Patron Mayor Avula

Title: To authorize the Chief Administrative Officer to accept funds in the amount of \$25,000.00 from AARP, to amend the Fiscal Year 2025-2026 Special Fund Budget by creating a new special fund for the Department of Public Works called the "AARP Community Challenge Special Fund," and to appropriate the increase to the Fiscal Year 2025-2026 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Public Works' "AARP Community Challenge Special Fund" by \$25,000.00, for the purpose of funding the planning, design, construction, and implementation of a bus boarding platform.

Council Staff Notes (i.e., not included in Administration memo):

- None.

Council Staff Questions:

- Has your department mapped other locations that could be prioritized based on the 50+ population served by GRTC in the area?
 - Given the lack of match requirement and statement of no fiscal impact, can we assume that it would cost \$25,000 total from planning to implementation to install bus boarding platforms elsewhere in the city?
- Can we expect this grant funding to continue to be available to apply for in the future?

4. Ordinance No. 2025-249

Patron Mayor Avula

Title: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to enter into the Twenty-Eighth Commercial Area Revitalization Effort Program Cooperation Agreement between the City of Richmond, Virginia, and the Economic Development Authority of the City of Richmond for the purpose of providing for the operation of the Commercial Area Revitalization Effort (“CARE”) Program.

Council Staff Notes (i.e., not included in Administration memo):

- A searchable map for the enterprise zone and CARE programs was [included](#) with the full O&R transmittal (EZ in orange, CARE in dark blue).
- The Administration memo states that this ordinance has no fiscal impact because “Enterprise Zone program funds were included in the adopted Fiscal Year 2026 budget,” so it may be worth clarifying enterprise zone vs. CARE funding and administration.

Council Staff Questions:

- How many FTE staff are allocated to the CARE program, how much do those positions cost, and how are they funded? (The program funding totals referenced in the O&R seem reflective of funds awarded to eligible applicants/projects but not program administration costs.)
- How is performance of the CARE program evaluated?
- Could you provide clarification on the overlap and non-overlap of the enterprise zone program vs. CARE, particularly funding and staffing?

5. Ordinance No. 2025-250

Patron Mayor Avula

Title: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the amount of \$18,319.00 from the Virginia Department of Fire Programs, and to appropriate the increase to the Fiscal Year 2025-2026 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Fire and Emergency Services' State Fire Programs Special Fund by \$18,319.00 for the purpose of providing funding for training, training centers, equipment, and protective clothing for firefighters.

Council Staff Notes (i.e., not included in Administration memo):

- Eligible expenses are training, training centers, equipment, and protective clothing for firefighters.
- The initial revenue estimate for this state funding was mostly accurate, with the \$18.3k subject to the ordinance representing only about 1.5% of the estimated \$1.25 million.

Council Staff Questions:

- What was the difference between the initial Richmond Department of Fire and Emergency Services estimate for this funding and the actual amount awarded by the state for FY24 and FY25?

6. Ordinance No. 2025-251**Patron Mayor Avula**

Title: To amend Ord. No. 2025-057, adopted May 12, 2025, which adopted the Fiscal Year 2025-2026 General Fund Budget and made appropriations thereto, by transferring \$284,175.00 from the Council Chief of Staff, and appropriating such transferred funds to the Chief Administrative Offices for the purpose of supporting the participatory budgeting process.

Council Staff Notes (i.e., not included in Administration memo):

- None.

Council Staff Questions:

- None.

7. Resolution No. 2025-R043 Patrons Councilors Robertson, Jones, and Lynch; Vice President Jordan

Title: To request that the Chief Administrative Officer cause the Department of Finance and Department of Housing and Community Development, in coordination with other relevant City departments, to conduct an inventory of existing City programs and initiatives that mitigate displacement, to assess their effectiveness, and to report findings and recommendations to the Council within 120 days.

Council Staff Notes (i.e., not included in Administration memo):

- Full O&R transmittal includes “Displacement Mitigation Strategies for the City of Richmond” report prepared by Housing Opportunities Made Equal of Virginia (HOME of Virginia) and the “ONE Richmond” equitable affordable housing plan published by the City in January 2022. This resolution is consistent with HOME’s recommended first step in a broader process of ensuring the City has a robust strategy for displacement mitigation.
- The original 120-day timeline was intended to ensure that at least some key information about programs, staffing, and spending would be reported back to City Council in time for FY27 budget deliberations.

Council Staff Questions:

- None.

8. Resolution No. 2025-R050

Patron Councilor Lynch

Title: To request that the Mayor propose an annual budget for Fiscal Year 2026-2027 that recommends a real estate tax levy of \$1.16 per \$100 of assessed value as a means of tax relief for residents who pay real estate taxes and as affirmation of the City's commitment to live within its fiscal means.

Council Staff Notes (i.e., not included in Administration memo):

- None.

Council Staff Questions:

- None.

Discussion Item: ARPA Quarterly Update – Meghan Brown, Director of Budget and Strategic Planning

This discussion item reflects the quarterly reporting requirement for ARPA expenditures established by [Res. No. 2023-R044](#); the table submitted for this discussion item **does not include** any information about outcomes of ARPA-funded initiatives or projects, in contrast to the resolution language:

“BE IT FURTHER RESOLVED:

That the Council requests that such report on the expenditure of all funds received by the City, whether from the United States government, the Commonwealth of Virginia, or otherwise, provided pursuant to the Act, contain the following:

1. Spending progress.
2. Outcomes of initiatives that are being funded.
3. Any shifts in priorities.
4. Any additional funds received pursuant to the Act through the Commonwealth of Virginia or other sources.”

Note: Chair Robertson also communicated the following via email on 11/13/25:

As expressed at the pre-meeting, for a meaningful discussion to take place a detailed narrative of the status of the program/projects achievements and the impact is requested. Information of the status of expenditures accomplishments in comparison to outstanding scheduled obligations projections give the council the information needed to determine oversight provisions as needed.

This information- narrative is requested. This is a high investment which significantly charges to improve communities, address disparities and required tremendous leveraging of city resources. A narrative should capture these areas and provide the information needed to qualitatively and quantitatively determine our investments.

Council Staff Questions:

- Are we at risk of any ARPA funds going unexpended by the 12/31/26 deadline?
 - Only \$43,100 has been expended from the first-time homebuyer assistance program for City employees. Can anything be done to adjust the criteria?
- Which formerly ARPA-funded initiatives have we decided to backfill with local funds?

Discussion Item: Fiscal Year 2025 Surplus – Letitia Shelton, Director of Finance

Source material: 11/15/25 memo to Councilmembers from CAO Donald

Sec. 12-241(a) of City Code definitions:

Calculated general fund surplus means the general fund balance less all of the following:

(1) The amount of any committed fund balance other than the Contingency Reserve, non-spendable fund balance, or restricted fund balance.

(2) Any encumbered amount properly reported within a committed fund balance, non-spendable fund balance, or restricted fund balance.

(3) The amount of the unassigned fund balance as reported in the City's comprehensive annual financial report for the immediately preceding fiscal year.

(4) The amount of the Contingency Reserve as reported in the City's comprehensive annual financial report for the immediately preceding fiscal year.

(5) Any amounts due to or due from the School Board of the City of Richmond, Virginia.

Council Staff Questions:

- General questions or requests:
 - Please provide a copy of the step-by-step calculations made pursuant to Sec. 12-241(a) to produce the \$22 million estimated surplus figure.
- Does the bullet about “Implementation of GASB 101 – Compensated Absences” on page 2 of CAO Donald’s memo mean that the City is doing something different with respect to its leave liability calculations for FY25, or that these calculations are still being conducted?
 - If so, what explains the substantial lag from the end of the fiscal year?
- Please provide additional detail about the following sub-bullets under the header bullet “Year-End General Ledger Not Finalized”:
 - “EDA FY2024 Bond Issuance: Preliminary review of the EDA’s financial statements indicates the City may be responsible for debt service, which may require reclassification of the EDA as a blended component unit.” How much in debt service “may” the City be responsible for, and what are the implications if the EDA is reclassified as a blended component unit?
 - “Tax Refund Expense: An adjusting entry is required to correct an overstatement recorded in FY2024.” What was the overstatement and what seems to have caused it?
- Is any Council action recommended or needed to address the consistent delays in financial statement submission by component units?