

INTRODUCED: June 22, 2026

AN ORDINANCE No. 2026-164

To amend City Code §§ 16-51, concerning the creation of the Affordable Housing Trust Fund, and 16-113, concerning the administration of the Affordable Housing Trust Fund, to ensure all receipts derived from principal, interest, penalties, and fees received for the repayment and management of loans or grants from the Affordable Housing Trust Fund are reserved for the Affordable Housing Trust Fund.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUL 27 2026 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That sections 16-51 and 16-113 of the Code of the City of Richmond be and are hereby **amended** as follows:

Sec. 16-51. Created

There shall be created a fund identified as the Affordable Housing Trust Fund. The fund shall be funded through annual appropriations made by the City Council in accordance with section 12-48 and such other sources of revenue as the Council may appropriate thereto from time to time, including payments made in accordance with section 16-113. The purpose of the fund shall be to

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

aid in meeting the needs of low and moderate income households in the city by providing loans and grants to for-profit and nonprofit housing developers and organizations for the acquisition, capital and other related costs necessary for the creation and preservation of affordable rental and owner-occupied housing in the city in accordance with Code of Virginia, § 15.2-958.5.

Sec. 16-113. Administration—Generally.

In accordance with this article, Chief Administrative Officer or the designee thereof shall administer the fund and, in accordance with all applicable laws and regulations, may contract with a service provider for a cost that shall remain within a standard percentage, as the Chief Administrative Officer or the designee thereof shall determine, of the balance of the fund. In addition, subject to the approval of the Board, a percentage of the fund, not to exceed seven percent, may be used for administrative and operating expenses of the Board, including, but not limited to, the funding of additional City employees for purposes of administering the fund. The Chief Administrative Officer or the designee thereof shall evaluate loan and grant applications in accordance with the provisions of this article. In addition, the Chief Administrative Officer or the designee thereof shall evaluate each application for grants or loans from the fund based upon the eligibility criteria set forth in section 16-112 and the purposes of the fund set forth in section 16-53 and make annual reports to the City Council and the Mayor concerning the results of each grant or loan evaluation. The Director of Finance shall credit all receipts derived from principal, interest, penalties, and fees for the repayment and management of loans or grants from the Affordable Housing Trust Fund to the Affordable Housing Trust Fund.

§ 2. This ordinance shall be in force and effect upon adoption.

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O&R REQUEST

DATE: June 2, 2026 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald, Chief Administrative Officer

THROUGH: Tanikia Jackson, Deputy Chief Administrative Officer, Finance and Administration

THROUGH: Meghan Brown, Director, Department of Budget and Strategic Planning

THROUGH: Letitia Shelton, Director, Department of Finance

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer, Planning & Economic Development Portfolio

FROM: Merrick Malone, Director, Department of Housing & Community Development

RE: Technical Fix to Ensure Affordable Housing Trust Fund Repayments are Returned to the Fund

ORD. OR RES. No. _____

PURPOSE: This ordinance provides a technical fix so that principal, interest, penalties and fee payments received for the repayment and management of loans and grants from the Affordable Housing Trust Fund (Trust Fund) are reserved for the Trust Fund.

BACKGROUND: The Affordable Housing Trust Fund was created to provide “loans and grants to for-profit and nonprofit housing developers and organizations for the acquisition, capital and other related costs necessary for the creation and preservation of affordable rental and owner-occupied housing.”¹ It instructs the City’s Administration to “ensure the sustainability and proposer use of the fund over time.”² However, the authorizing City Article is silent as to the mechanics of the repayment of loans, grants, or, when necessitated by a recipient breaching their contract with the City, penalties. This ordinance reserves those payments for the Trust Fund, helping to sustain the Fund for years to come.

COMMUNITY ENGAGEMENT: The Department of Housing and Community Development (HCD) regularly receives feedback from affordable housing developers and advocates that it is

¹ City Code Sec. 16-51.
² City Code Sec. 16-114.

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essential that the Affordable Housing Trust Fund be predictably and consistently funded. This ordinance replenishes the Fund in order to support generations of affordable housing development.

STRATEGIC INITIATIVES ALIGNMENT: In February 2026, City Council and Mayor Avula unanimously supported a new dedicated, transparent, and fiscally responsible source of funding for the Affordable Housing Trust Fund.³ This ordinance builds off of that recognition of the importance of sufficient and predictable funding for the Fund.

This legislation helps to actualize several goals of the Mayoral Action Plan, including: Goal A (Build more homes for more people) of the Thriving Neighborhoods Pillar; and Goals C (Reduce poverty and build wealth), E (Build a vibrant downtown), and F (Invest in the Southside) of the Thriving Economy Pillar, since more funding in the Affordable Housing Trust Fund will create more opportunities for community wealth building and public investment across the City.

FISCAL IMPACT: This ordinance will create revenue for the Affordable Housing Trust Fund. Since September 2025, the Trust Fund has made awards totaling \$9.7 million to six projects, creating a construction pipeline of 678 affordable units. Loan terms of the six projects awarded since September 2025 range from 16 months to 18.5 years. In addition to a return of all principal, these six awards will generate \$1.8 million from interest.

Operational costs are expected to be minimal and able to be absorbed into agencies' existing budgets.

DESIRED EFFECTIVE DATE: Upon passage

REQUESTED INTRODUCTION DATE: June 22, 2026

CITY COUNCIL PUBLIC HEARING DATE: July 27, 2026

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

AFFECTED AGENCIES: Housing and Community Development; Finance; Budget

ATTACHMENTS: N/A

STAFF: Merrick Malone, Director, HCD
Jaynell Pittman-Shaw, AHTF Program Manager, HCD
Megan Field, Senior Policy Advisor, HCD

³ Ord. 2026-045.