

INTRODUCED: October 15, 2024

AN ORDINANCE No. 2024-272

To amend ch. 16, art. I, of the City Code by adding therein a new section 16-3, concerning a gap grant program for income-based housing grants.

Patrons – Mayor Stoney, Ms. Newbille, President Nye, Vice President Lambert, Ms. Jordan, Ms. Robertson,
Ms. Lynch, Ms. Trammell and Ms. Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 28 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Chapter 16, Article I, of the Code of the City of Richmond (2020) be and hereby is amended and reordained by **adding therein a new section** numbered 16-3 as follows:

Sec. 16-3. Gap Grant program for income-based housing grants.

(a) There is hereby established a Gap Grant program under the local board of social services for the purpose of providing income-based housing grants to qualifying residents of the City of Richmond pursuant to § 63.2-314 of the Code of Virginia (1950), as amended.

(b) The City of Richmond may make appropriations to the local board of social services, pursuant to § 63.2-314 of the Code of Virginia (1950), as amended, for the purpose of providing funds for the Gap Grant program.

AYES: _____ 9 _____ NOES: _____ 0 _____ ABSTAIN: _____

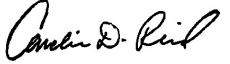
ADOPTED: NOV 12 2024 REJECTED: _____ STRICKEN: _____

(c) The local board of social services, with the approval of the Chief Administrative Officer, shall establish Gap Grant program application procedures and eligibility criteria for the grants according to low-income designation and annual housing costs.

§ 2. This ordinance shall be in force and effect January 1, 2025.

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

A TRUE COPY:
TESTE:

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-1312

File ID: Admin-2024-1312

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 10/10/2024

Subject:

Final Action:

Title: To Establish the Gap Grant Program.

Internal Notes:

Code Sections:

Agenda Date: 10/15/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2024-1312: AATF - Amend City Code Sec. 16.3 - Gap Grant Program

Enactment Number:

Contact:

Introduction Date:

Drafter:

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	10/10/2024	Sheila White	Approve	10/11/2024
1	2	10/10/2024	Meghan Brown	Approve	10/11/2024
1	3	10/10/2024	Sabrina Joy-Hogg	Approve	10/11/2024
1	4	10/10/2024	Lincoln Saunders	Approve	10/11/2024
1	5	10/11/2024	Mayor Stoney	Approve	10/11/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-1312

Title

To Establish the Gap Grant Program.

Body

O & R Request

DATE: September 23, 2024 **EDITION:** 2

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J. E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer
Finance and Administration

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

FROM: Sheila White, Director of Finance

RE: To Establish the Gap Grant Program

PURPOSE: To establish an income-based housing grants program for qualifying residents of the City of Richmond.

BACKGROUND: Because Virginia is a Dillon rule state, local governments can only exercise powers explicitly granted by the state.

Until the city's charter can be modified to include powers to provide income-based assistance (such as in the City of Charlottesville's charter Section 50.7, Powers related to housing and community development), the city can use the state authority granted to the local social services board to administer a form of income-based relief.

Pursuant to Code of Virginia 63.2-314, local social services boards are authorized to receive and disburse funds derived from public grants or private sources in the form of gifts, contributions, bequests, or legacies for the purpose of aiding needy persons within their respective counties, cities, or districts. The governing bodies of counties and cities are authorized to make public grants through their respective local boards under this title.

The city's Director of Social Services, as the local government official, serves in the capacity of the Board of Social Services for the city per City Code Section 2-570 (enabled by Code of Virginia 63.2-304):

Designation as Social Services Board. The Director of Social Services, pursuant to

Code of Virginia, § 63.2-304, is designated as and shall constitute the City's Social Services Board, and the Director is authorized to exercise all the rights and powers set out in Code of Virginia, § 63.2-304.

The Director of Social Services with approval of the Chief Administrative Officer will establish eligibility criteria for this program. In the pilot year, grants will be provided for households with housing costs of more than 30 percent of the annual income who are at the 80 percent or below HUD income level designation. The city will use the most recent Richmond Metropolitan Statistical Area (MSA) amounts, which for FY 2024 are published by the U.S. Department of Housing and Urban Development (HUD) Section 8 Income Limits are as follows:

- Persons in Household = Low (80%) Income
 - 1 = \$61,800
 - 2 = \$70,600
 - 3 = \$79,450
 - 4 = \$88,250
 - 5 = \$95,350
 - 6 = \$102,400
 - 7 = \$109,450
 - 8 = \$116,500

Note: this data is not available at the city level.

Grants shall be awarded on a first-come, first-serve basis until funding is exhausted. Once funding is exhausted, the city will stop receipt of applications. Grants are per household.

In addition to the creation of this ordinance to establish the Gap Grant Program, several other ordinances will be created to support funding such program and other tax relief-based programs:

- An ordinance to amend Ord. No. 2024-099, adopted May 13, 2024, which adopted the Fiscal Year 2024-2025 General Fund Budget and made appropriations pursuant thereto, by increasing estimated revenues from real estate taxes by \$12,000,000.00 and appropriating those increased estimated revenues in new line items within the Central Appropriations budget and various departments.
- An ordinance to appropriate up to \$16,000,000 of the Fiscal Year 2024 General Fund Surplus to a central appropriations line item administered by the Department of Finance to fund the return of surplus payments to provide real estate tax relief through a one-time, four-cent rebate.
- An ordinance to provide for the return of up to \$16,000,000 of the Fiscal Year 2024 General Fund Surplus in accordance with the Code of Virginia section 15.2-2511.1 to provide real estate tax relief through a one-time, four-cent rebate.
- An ordinance to amend Ord. No. 2024-099, adopted May 9, 2022, which adopted the Fiscal Year 2024-2025 General Fund Budget and made appropriations pursuant thereto, to (i) re-appropriate \$16,000,000.00 of the Fiscal Year 2023-2024 fund balance excess assigned to the 2024 Real Estate Tax Relief Reserve established by Ord. No. 2024-XXX, adopted XXX,

(ii) create a new line item entitled “Real Estate Tax Relief - Department of Finance” in the Central Appropriations budget, and (iii) appropriate such \$16,000,000.00 to such new line item in the Central Appropriations budget, for the purpose of returning surplus real property tax revenue to real estate taxpayers in the city of Richmond pursuant to Va. Code § 15.2-2511.1 through a one-time, four-cent rebate.

- An ordinance to amend and reordain City Code §§ Sec. 26-364. - Tax relief for elderly persons; evaluation of exemption or freeze program. and Sec. 26-365. - Real estate tax relief for qualified permanently and totally disabled; evaluation of exemption or freeze program. for the purpose of increasing income requirements, financial net worth requirements, and calculated benefit of the Older Adults and Persons with Disabilities (OAPD) Real Estate Tax Freeze Program.

COMMUNITY ENGAGEMENT: The new program will be promoted through a collaborative effort between the Department of Finance, Department of Social Services, and the Office of Strategic Communications.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: One Richmond: An Equitable Affordable Housing Plan

FISCAL IMPACT: Cost of \$3.9 million in FY25 in additional real estate revenues from the increase in assessments.

DESIRED EFFECTIVE DATE: January 1, 2025

REQUESTED INTRODUCTION DATE: Tuesday, October 15, 2024

CITY COUNCIL PUBLIC HEARING DATE: Monday, November 12, 2024

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Governmental Operations Standing Committee

AFFECTED AGENCIES: The Department of Social Services, Finance Department

RELATIONSHIP TO EXISTING ORD. OR RES.:

- **Ordinance No. 2024-222:** To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.16 for the tax year beginning Jan. 1, 2025, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.136 as computed in accordance with Va. Code § 58.1-3321(a).
- **Ordinance No. 2024-223:** To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.20 for the tax year beginning Jan. 1, 2025, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.136

as computed in accordance with Va. Code § 58.1-3321(a)

ATTACHMENTS: None.

STAFF: Louisa Meyer, Senior Policy Advisor - Office of the Senior Deputy Chief Administrative Officer (x3856)

Patricia Harrison, Principal Economist - Office of the Senior Deputy Chief Administrative Officer