

Comments to Richmond City Council by Martin Wegbreit – 12/11/23

Good evening. I'm Martin Wegbreit, a RISC member and recent former member of the Affordable Housing Trust Fund Supervisory Board. RISC appreciates the ten million dollars a year in bond revenue for affordable housing for five fiscal years.

But we should be clear. Using bonds does not raise more money, more quickly than using tax revenues – as City Administrators claimed nine months ago. Exactly the opposite is true.

Tax revenue does not have to be repaid. Bond revenue does. Bonds mean less money is available for affordable housing development. Tax revenue arrives regularly. Bond revenue arrives only after the bond sale date. That date will occur after the December 18 request for affordable housing proposals, after the January 26 application deadline, and after the February 28 Trust Fund Board meeting. The bonds will not be sold until March 2024, more than a year after the bond program was announced. Much slower than using tax revenues.

RISC appreciates the ten million dollars a year in additional funds from LISC – the Local Initiative Support Corporation – for affordable housing for five fiscal years. But we should be clear. These are not matching funds – as City Administrators claimed nine months ago. Exactly the opposite is true. Of those fifty million dollars, thirty-five million dollars are loans – not grants. A grant

reduces housing costs by the amount of the grant. A loan reduces housing costs by the amount – if any – of lower interest payments. A loan is not the same as a grant. They are not equal to each other.

Most cities which have an Affordable Housing Trust Fund do not rely solely on bond revenue. They also allocate some of their own money. Richmond has a dedicated stream in effect as Richmond City Ordinance section 12-46. It generated more than six million dollars for affordable housing during the last two fiscal years. Not one dollar of those funds has been placed in the Trust Fund. Leaving dedicated funds unspent does not solve the Housing Crisis this City Council and the Mayor declared in March 2023.

Tonight, we publicly call upon the Mayor to do what this crisis requires – ten million dollars more in tax revenue, to be placed in the proposed budget for the next fiscal year. We ask each of you to contact the Mayor's Office and make this same request. And if he does not, it will be up to you, our elected leaders, to amend the budget, and take care of your suffering people.

Thank you for your attention.