

INTRODUCED: August 17, 2022

AN ORDINANCE No. 2022-243

To amend Ord. No. 2022-104, adopted April 25, 2022, which authorized the Chief Administrative Officer to issue grants, loans, or a combination thereof from the City’s 1<sup>st</sup> Tranche of American Rescue Plan Act of 2021 funds to certain entities in designated amounts and authorized the Chief Administrative Officer, for and on behalf of the City, to execute all necessary documents to affect such issuance for the purpose of financing the construction and preservation of single-family and multifamily dwellings, to provide for a revised list of entities eligible for the issuance of such grants, loans, or a combination thereof.

\_\_\_\_\_  
Patrons – Mayor Stoney and Ms. Lambert

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: SEP 12 2022 AT 6 P.M.

I. That Ordinance No. 2022-104, adopted April 25, 2022, be and is hereby amended and reordained as follows:

WHEREAS, section 15.2-958 of the Code of Virginia (1950), as amended, provides that the “governing body of an locality may provide by ordinance that such locality may make grants or loans to owners of residential rental property occupied, or to be occupied, following rehabilitation or after construction if new, by persons of low and moderate income, for the purpose of rehabilitating or producing such property,” and the Council desires to make such grants or loans to owners of

AYES: 9 NOES: 0 ABSTAIN: \_\_\_\_\_

ADOPTED: SEP 12 2022 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

residential rental property and to the City’s land bank entity pursuant to section 15.2-7509 of the Code of Virginia (1950), as amended; and

WHEREAS, the City has determined to issue grants, loans, or a combination thereof from the City’s 1<sup>st</sup> Tranche of funds received pursuant to the American Rescue Plan Act of 2021, H.R. 1319, 117th Cong., 1st Sess. (2021-2022), to certain entities in designated amounts to finance the construction and preservation of single-family and multifamily dwellings as set forth in the document entitled “Amended Attachment A2 – Recommendation for ARPA Funding Awards,” a copy of which is attached to and incorporated into this amendatory ordinance;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That, subject to any requirements of section 15.2-958 of the Code of Virginia (1950), as amended, the Chief Administrative Officer be and is hereby authorized to issue grants, loans, or a combination thereof from the City’s 1<sup>st</sup> Tranche of funds received pursuant to the American Rescue Plan Act of 2021, H.R. 1319, 117th Cong., 1st Sess. (2021-2022) to the entities designated in the column entitled [~~“Project Sponsor”~~] “Award Recipient” in the aggregate amounts designated in the column entitled “Recommended Award Amount” in the document entitled “Amended Attachment A2 – Recommendation for ARPA Funding Awards,” a copy of which is attached to and incorporated into this amendatory ordinance, for the purpose of financing the construction and preservation of single-family and multifamily dwellings.

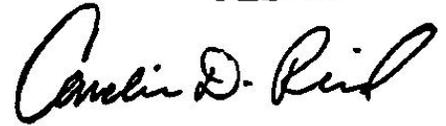
§ 2. The Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute all necessary documents, each of which first must be approved as to form by the City Attorney, to effect the issuance of grants, loans, or a combination thereof from the City’s 1<sup>st</sup> Tranche of funds received pursuant to the American Rescue Plan Act of 2021, H.R. 1319,

117th Cong., 1st Sess. (2021-2022) authorized pursuant to section 1 of this ordinance and as set forth in the document entitled “Amended Attachment A2 – Recommendation for ARPA Funding Awards,” a copy of which is attached to and incorporated into this amendatory ordinance, for the purpose of financing the construction and preservation of single-family and multifamily dwellings in accordance with sections 15.2-958 and 15.2-7509 of the Code of Virginia (1950), as amended.

§ 3. This ordinance is in force and effect upon adoption.

II. This amendatory ordinance shall be in force and effect upon adoption.

**A TRUE COPY:  
TESTE:**

A handwritten signature in black ink, appearing to read "Carolin D. Reed". The signature is written in a cursive style with a large initial 'C'.

**City Clerk**



# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE

### O&R REQUEST

**DATE:** August 9, 2022

**EDITION:** 1

**TO:** The Honorable Members of the 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:** Sheila D. White, Director, Department of Finance

**THROUGH:** Jason P. May, Director, Department of Budget and Strategic Planning

**THROUGH:** Sharon L. Ebert, Deputy Chief Administrative Officer, Economic Development and Planning

**FROM:** Sherrill Hampton, Director

Department of Housing and Community Development

**RE:** **The State and Local Fiscal Recovery Funds Under the American Rescue Plan Act (ARPA) – Request for Amendment to Funding Awards for City of Richmond’s 1<sup>st</sup> Tranche ARPA Dollars to Further Affordable Housing Activities**

**ORD. OR RES. No.** \_\_\_\_\_

**PURPOSE:** This O&R request is to amend Ordinance No. 2022-104 (see **Attachment C**) adopted on April 25, 2022, as it relates to needed changes in the names of the award recipients for the construction and preservation of single-family and multifamily dwellings, and authorize the Chief Administrative Officer to develop and execute all documents necessary to do so based on proposed changes to several of the award recipients. See the **Amended Attachment A2** for the proposed amended award recipients’ name changes. In addition, the proposed amendment includes the deletion of one project due to its withdrawal by the project sponsor.

**REASON:** Several of the ARPA construction projects have applied for or have been awarded Low Income Housing Tax Credit (LIHTC) reservations from Virginia Housing. It is standard practice

for affordable housing developers to create affiliates or special development entities to meet investor and IRS requirements. The original awards approved by City Council on April 25<sup>th</sup> were made in the names of the project sponsors, which is problematic for those projects receiving LIHTC reservations unless the project sponsor is a nonprofit. The LIHTC reservations comprise the majority of the project financing. The original applicants or project sponsors have legal affiliates or special purpose development entities created for the specific purpose of the proposed housing developments.

In addition, one project sponsor withdrew its application after the award was made.

**RECOMMENDATION:** Approval of the proposed amendment is recommended.

**BACKGROUND:**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. The City of Richmond’s ARPA Spending Plan was approved by City Council on October 25, 2021. Mayor Stoney and the City Council allocated under the City’s 1<sup>st</sup> Tranche of ARPA funds \$10,000,000 to further affordable housing opportunities.

The Housing and Community Development Department (HCD), as the City department coordinating affordable housing and community development activities, released a Notice of Funding Availability (NOFA) on December 10, 2021. The deadline to submit applications for the City’s 1<sup>st</sup> Tranche ARPA funding was January 10, 2022. HCD received forty (40) applications for multifamily, housing-related services, and single-family activities totaling \$29,891,816. HCD recommended the funding of seventeen (17) projects totaling \$10,000,000, which is the entire first tranche allocation. On April 25, 2022, City Council reviewed, as well as accepted the recommendation from the Land Use Housing & Transportation Committee to award funding to the seventeen (17) identified projects.

Several of the ARPA construction projects have applied for or have been awarded Low Income Housing Tax Credit (LIHTC) reservations from Virginia Housing. The original awards approved by City Council on April 25<sup>th</sup> were made in the names of the project sponsors, which is problematic for those projects receiving LIHTC reservations unless the project sponsor is a nonprofit. The LIHTC reservations comprise the majority of the project financing. The original applicants or project sponsors have legal affiliates or special purpose development entities created for the specific purpose of the proposed housing developments.

Furthermore, one developer, Enterprise Community Development, Inc., withdrew its application. Their project has been deleted from the **Amended Attachment A2** and the award amount of \$615,000 has been de-obligated. HCD will bring a recommendation for City Council consideration and approval in September 2022 to utilize the de-obligated funds for the Inclement Weather Shelter.

**FISCAL IMPACT/COST:** The City allocated \$10,000,000 in 1<sup>st</sup> Tranche ARPA Funding to further affordable housing activities. The proposed amendment would reduce the total number of awards and obligated amount from seventeen (17) projects to sixteen (16) projects and from

\$10,000,000 to \$9,385,000. The categories of revised awards include \$1,250,000 for multifamily preservation projects (**no change**), which preserves 255 units of existing affordable housing; \$6,351,712 for multifamily new construction projects creating 769 new units of affordable housing instead of 812 new units; \$500,000 for single-family homeownership projects creating 15 new units of affordable homeownership instead of 30 due to the award amount being less than what the project sponsor requested; and \$1,283,288 for housing-related services that will serve 6544 individuals (**no change**). Based on the proposed amendment, a total of 1,039 affordable units will be preserved and/or created, which differs from the original 1097 units.

In addition, under the requested amendment, the ARPA funds for construction projects will serve households earning between zero to eighty percent (0%-80%) of the Area Median Income (AMI). Approximately 37.44% or \$3,513,744 of the \$9,385,000 will serve households earning at or below 50% of the Area Median Income. (The preceding percentage has been rounded to the nearest whole number).

**FISCAL IMPLICATIONS:** No adverse fiscal implications based on the proposed amendment. The proposed amendment allows for the timely utilization of the ARPA funds without causing negative tax implications for the associated developers and project investors.

The appropriation of the City's 1<sup>st</sup> Tranche of ARPA dollars enables the City to address the harmful consequences of or the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency as well as implement several of the goals of the City's 5-Year Consolidated Plan, the Mayor's Equity Agenda, the Comprehensive Plan (Richmond 300), the 2020-2030 Strategic Plan to End Homelessness, and the recently adopted Equitable Affordable Housing Plan.

**BUDGET AMENDMENT NECESSARY:** No

**REVENUE TO CITY:** There will be additional revenue to the City as it relates to property taxes for any newly created housing units.

**DESIRED EFFECTIVE DATE:** September 12, 2022

**REQUESTED INTRODUCTION DATE:** August 17, 2022

**CITY COUNCIL PUBLIC HEARING DATE:** September 12, 2022

**REQUESTED AGENDA:** Consent Agenda

**RECOMMENDED COUNCIL COMMITTEE:** Requesting that the committee assignment be waived.

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** None

**AFFECTED AGENCIES:** Housing and Community Development

**RELATIONSHIP TO EXISTING ORD. OR RES.:** 2022-104

**REQUIRED CHANGES TO WORK PROGRAM(S):** If approved, there are no required changes to HCD's work plans as project administration is currently underway.

**ATTACHMENTS:** Amended Attachment A2 – Recommendation for 1<sup>st</sup> Tranche ARPA Funding Awards, Attachment B – Project Withdrawal Correspondence, and Attachment C- Ordinance 2022-104.

**STAFF:** Sherrill Hampton, Director – (804) 646-6822

**AMENDED ATTACHMENT A2 – RECOMMENDATION FOR ARPA FUNDING AWARDS**  
*Grants, Loans, and Grant/Loan Combinations*

Award Recipient	Project Sponsor	Project Name	Project Description	No. of Units	Requested Amount	Cost Per Unit	Total Project Cost	Leveraged Amount	Income Ranges			Recommended Award Amount
									0-50% AMI	51-60% AMI	61-80% AMI	
The Maggie Walker Community Land Trust	The Maggie Walker Community Land Trust	Permanently Affordable Homes	Construction of New Single-Family Homes	15	\$1,000,000	\$33,333.33	\$6,803,000	\$5,803,000	5	5	5	\$500,000
	<b>Subtotal – New Single-Family Homeownership</b>			<b>15</b>	<b>\$1,000,000</b>		<b>\$6,803,000</b>	<b>\$5,803,000</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>\$500,000</b>
VST South Gate LLC	Genesis Properties, Inc.	South Gate Apartments	Multifamily Preservation	112	\$2,000,000	\$17,857.14	\$17,531,714	\$15,531,714	100	12	-0-	\$1,000,000
Better Housing Coalition	Better Housing Coalition	North Oak Apartments	Multifamily Preservation	143	\$250,000	\$6,446.99	\$632,000	\$382,000	60	36	47	\$250,000
	<b>Subtotal – Multifamily Preservation</b>			<b>255</b>	<b>\$2,250,000</b>		<b>\$18,163,714</b>	<b>\$15,913,714</b>	<b>160</b>	<b>48</b>	<b>47</b>	<b>\$1,250,000</b>
ElderHomes Corporation t/a Project: Homes	ElderHomes Corporation t/a Project: Homes	Bainbridge Affordable Rental	New Multifamily Housing Development	38	\$717,312	\$18,876.63	\$7,035,000	\$6,317,688	20	18	-0-	\$517,312
700 West 44 LP	The Lawson Companies, Inc.	700 West 44, LP (9%)	New Multifamily Housing Development	72	\$745,000	\$10,347.22	\$16,692,265	\$15,947,265	36	36	-0-	\$700,400
The View at Belle Isle Apartments LP	The Lawson Companies, Inc.	The View at Belle Isle Apartments, LP	New Multifamily Housing Development	116	\$1,040,000	\$8,965.52	\$24,904,278	\$23,864,278	-0-	116	-0-	\$1,040,000
Cameo Street LLC	Better Housing Coalition	Cameo Street	New Multifamily Housing Development	67	\$500,000	\$7,462.69	\$19,039,423	\$18,539,423	34	33	-0-	\$250,000
7000 Carnation Managing Member, LLC	Lynx Ventures, Inc.	7000 Carnation	New Multifamily Housing Development	218	\$1,744,000	\$8,000.00	\$39,222,553	\$37,478,553	74	70	74	\$1,744,000
Afton Avenue Apartments LLC	Genesis Properties, Inc.	Afton Ave Apartments	New Multifamily Housing Development	150	\$2,000,000	\$13,333.33	\$33,604,458	\$31,604,458	-0-	150	-0-	\$1,000,000
The Community Builders, Inc.	The Community Builders, Inc.	Creighton Court Phase A	New Multifamily Housing Development	68	\$1,000,000	\$14,705.88	\$23,400,967	\$22,400,967	40	28	-0-	\$500,000
Liberty Townhomes LLC	Liberty Townhomes LLC	Townhomes at Liberty Place	New Multifamily Housing Development	40	\$800,000	\$20,000.00	\$11,981,052	\$11,181,052	20	20	-0-	\$600,000
	<b>Subtotal – New Multifamily Housing Development</b>			<b>769</b>	<b>\$8,546,312</b>		<b>\$175,879,996</b>	<b>\$167,333,684</b>	<b>224</b>	<b>471</b>	<b>74</b>	<b>\$6,351,712</b>
<b>Grand Total of Project Categories</b>				<b>1039</b>	<b>\$11,796,312</b>		<b>\$200,846,710</b>	<b>\$189,050,398</b>	<b>389</b>	<b>524</b>	<b>126</b>	<b>\$8,101,712</b>

**Hampton, Sherrill A. - HCD**

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**From:** Alan Biller <abiller@ecdcommunities.org>  
**Sent:** Wednesday, March 30, 2022 4:02 PM  
**To:** Hampton, Sherrill A. - HCD  
**Cc:** Peters, Michelle B. - HCD; Kennan, Beth; Brown, Shelynda  
**Subject:** 1203 East Brookland Park Blvd ARPA application withdrawal

**CAUTION:** This message is from an external sender - Do not open attachments or click links unless you recognize the sender's address and know the content is safe.

Hello Ms. Hampton,

Thank you for contacting us Monday about the ARPA application for 1203 East Brookland Park Blvd. After discussing internally, and based on our conversation on Monday, we have decided to formally withdraw this application from consideration.

We look forward to applying again when the next tranche of ARPA funds becomes available.

Please let me know if you have any questions.

Thanks,  
Alan

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**Alan Biller**  
Real Estate Development Manager  
**Enterprise Community Development, Inc.**  
Phone: 804.303.2333



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