

# City of Richmond Affordable Housing Strategy



City of Richmond, Virginia  
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Final Report



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# City of Richmond Affordable Housing Strategy: Research Findings

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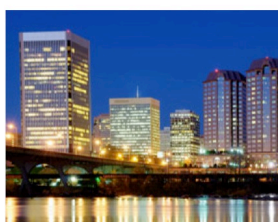
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# I. Research Findings

## 1. Introduction

The City of Richmond (City) retained David Paul Rosen & Associates (DRA) to prepare a Comprehensive Affordable Housing Strategy and Affordable Housing Trust Fund Study for the City. The goal of the Study is to assist local decision-makers in making informed policy decisions that best provide for the affordable housing needs of the community, and to guide the use of the City's Affordable Housing Trust Fund.

The research phase of this Study analyzed demographic and residential real estate market conditions, affordable housing needs, and existing local revenues for housing in the City of Richmond. It also reviewed potential revenue sources for the Richmond Affordable Housing Trust Fund (AHTF).

The reports detailing DRA's research are found in the following Appendices to this Strategy Report:

<b>A: Housing Needs and Market Assessment</b>	Provides an overview of demographic, housing and residential real estate market trends and conditions in Richmond and different geographic areas of the City.
<b>B: Affordability Gap Analysis</b>	Compares the amount households at alternative income levels can afford to pay toward housing and the development costs and market prices of those homes in Richmond today.
<b>C: Existing Revenue Sources for Housing</b>	Summarizes existing financial resources for affordable housing in Richmond, including recent trends in funding amounts.
<b>D: Affordable Housing Trust Fund: Revenue Options Analysis</b>	Examines a range of funding sources that could prospectively be used to provide ongoing capital support to the City's Affordable Housing Trust Fund.

Based on the findings of DRA's research and discussions with administrators, policy makers and stakeholders in the City, DRA prepared recommendations for establishing affordable housing policy and goals, organizing the housing function, and designing and implementing housing programs consistent with those policy objectives.



## 2. Summary of Findings

The affordable housing needs assessment identified substantial affordable housing needs in the City:

- Almost 35% of the City's households earn less than \$24,999 per year, which equals only 34% of the City's Area Median Income (AMI) of \$72,900 and supports an affordable rent of only \$500 per month for a two-bedroom unit. Only about 19% of Richmond's rental housing units rent for less than \$500 per month.
- There are nearly 8,400 renter households, representing one in five households in Richmond, that earn less than 30% of AMI (\$21,900 per year for a family of four in 2014) and pay more than 50% of their limited gross income on housing (rent plus utilities). These households represent the most severe housing need for the City.
- Another 2,400 renter households earning between 30% and 50% of AMI (\$36,500 for a family of four) are severely cost-burdened.
- There are about 2,600 existing homeowners earning less than 30% of AMI (\$21,900 per year for a family of four in 2014) who pay more than 50% of their income on housing. These and other very low income homeowners have inadequate incomes to maintain and operate their homes over the long term.
- There is a large stock of vacant lots as well as vacant and blighted units in a number of Richmond's neighborhoods, but the cost to build or acquire and rehabilitate housing in certain neighborhoods often exceeds their market value.
- The Richmond Redevelopment and Housing Authority (RRHA) currently owns approximately 3,900 public housing units and administers approximately 3,000 Housing Choice Vouchers that serve the poorest of Richmond's residents. Nearly all the public housing units (over 96%) were built prior to 1984 and therefore are at least 30 years old. At least two-thirds, or 2,575 units, were built prior to 1964 and are more than 50 years

old. Therefore, there is a great need to replace this existing affordable housing with new units.

- RRHA has initiated efforts to transform Richmond’s aging public housing. RRHA received a 1997 HOPE VI Revitalization Grant of approximately \$27.0 million to replace 440 public housing units in the Blackwell community. In 2008, RRHA embarked on the Dove Court revitalization program, involving demolition of Dove Court and replacement with new apartments and single-family homes. RRHA is currently in the predevelopment stage of demolishing and replacing the 504 public housing units at Creighton Court and the 447 units at Whitcomb Court. The Agency has entered into an agreement with The Community Builders, Inc. (TCB) out of Boston to serve as master developer for this project.

**a. Subsidy Costs for New Affordable Multifamily Rental Housing**

- The per unit subsidy required to develop new multifamily housing in Richmond affordable to very low and low income households is estimated as follows:

	<u>Affordability Gap Per Unit</u>
○ Unleveraged <sup>1</sup>	\$90,000
○ 4 Percent Tax Credits, Tax-Exempt Bonds <sup>1</sup>	\$30,000
○ 9 Percent Tax Credits <sup>2</sup>	\$2,500

Per unit subsidies may be higher based on income targeting, the tenant population and need for services, and individual project development costs.

- If total revenues of \$10 million per year to the Affordable Housing Trust Fund (a substantial revenue flow to the City) were spent on new rental housing, it would support the development of approximately 110 new rental units per year at an unleveraged average local subsidy of \$90,000 per unit or about 330 units per year at an average subsidy of \$30,000 per unit. Over a ten-year period, with leverage the City could meet the needs of about one-third of the City’s cost-burdened very low income renters.

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<sup>1</sup> Assumes units affordable to households earning 60% of AMI.

<sup>2</sup> Assumes units affordable to a households earning 40% and 50% of AMI.





## **b. Subsidy Costs for Affordable Single-Family Owner Housing**

- The cost to acquire and rehabilitate existing homes varies widely based on the size, condition and location of the home. Assuming acquisition of units for \$20,000 to \$40,000 per unit, total development costs may range for \$200,000 to \$280,000 per unit, while market prices may range from \$130,000 to \$180,000 in some neighborhoods.
- New infill construction on vacant lots runs into similar challenges of market values that are lower than construction costs and lack of demand in some neighborhoods for households at 80% of AMI. In many cases, the cost to build modestly-sized new single-family homes on infill lots is less than rehabilitating existing home, with estimated total development costs ranging from \$180,000 to \$235,000.
- These conditions result in current subsidies for affordable home ownership that often run \$50,000 to \$100,000 for new and rehabilitated homes.
- Acquisition and rehabilitation of scattered site homes for operation as rental housing, rather than for-sale housing, may be feasible but creates asset management challenges and costs.
- At an average per unit subsidy of \$50,000 per unit, total revenues of \$10 million per year to the Affordable Housing Trust Fund would assist the development of 200 affordable single-family homes per year for low income homebuyers, if all of the revenues were spent on this program.

## **3. Summary of Recommendations**

Based on the findings of DRA's research and discussions with administrators, policy makers and stakeholders in the City, DRA provides the following key recommendations for the Richmond Affordable Housing Strategy. More detailed recommendations are provided in Section II of this Report.

- The City of Richmond should make a \$10 million per year commitment of new revenue sources for affordable housing to evidence the City's intention to materially address the substantial affordable housing needs in Richmond. This commitment should be for at least ten years. As detailed in Appendix D: Affordable Housing Trust Fund: Revenue Options, this can be achieved

by broadly based, modest increases in a variety of taxes and fees in Richmond.

- The City of Richmond should elevate the organization of the housing function in the City by creating a Housing Director position; The Housing Director should be on par in authority with the Planning Director and Economic Development Director to ensure coordination with other functional areas within the City, and to effectively administer affordable housing projects and programs.
- Implementation of a meaningful and successful affordable housing program in the City of Richmond will require the development of a functional and collaborative working relationship between the City and RRHA. This must involve cooperative working relations among City and RRHA administrative officials, as well as the Mayor, City Council and RRHA Board.
- The City of Richmond and RRHA should make effective use of their substantial land and property assets, including property already owned by RRHA and properties that potentially may be acquired by the City using recent legislation regarding tax-delinquent properties, to provide land and financial resources for affordable housing development.

## A. Affordable Housing Income Levels, Rents and Home Prices

This section defines affordable housing income levels, rents and home prices used in the Affordable Housing Strategy. More detail on the methodology and assumptions used in calculating affordable rents and sales prices is provided under separate cover in **Appendix B: Affordability Gap Analysis**.

### 1. Target Income Levels

This Affordable Housing Strategy uses income limits as commonly defined by the Department of Housing and Urban Development (HUD), the Low Income Housing Tax Credit (LIHTC) Program, and most affordable housing assistance programs. Very low income households are defined as households with incomes less than 50% of Area Median Income (AMI). Low income households are defined as households with incomes between 51% and 80% of AMI. Moderate income households are defined as households with incomes between 81% and 120% of

AMI. An extremely low income category for households earning less than 30% of AMI is also sometimes used. All of these income limits are adjusted by household size using HUD’s family size adjustment factors.

**Table 1** shows 2014 household income limits by percentage of the City’s AMI by household size (based on the above income category definitions and Richmond’s 2014 median household income of \$72,900 for a four-person household). This analysis also looks at a median income category for households between 81% and 100% of AMI; a 60% of AMI category, which is widely used in the LIHTC program; and the “extremely low income” category of households earning less than 30% of AMI.

Household Size	30% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
1 Person	\$15,300	\$25,550	\$30,600	\$40,850	\$51,030	\$61,250
2 Persons	\$17,500	\$29,200	\$35,000	\$46,650	\$58,300	\$70,000
3 Persons	\$19,700	\$32,850	\$39,400	\$52,500	\$65,600	\$78,700
4 Persons	\$21,900	\$36,450	\$43,750	\$58,300	\$72,900	\$87,500
5 Persons	\$23,600	\$39,400	\$47,250	\$63,000	\$78,750	\$94,500
6 Persons	\$25,350	\$42,300	\$50,750	\$67,650	\$84,550	\$101,500

HUD reports very low income (50% AMI) and low income (80% AMI) limits, rounded to \$50. Other income limits calculated based on percent AMI.

## 2. Affordable Rents and Home Prices

### a. Affordable Housing Cost Definitions

Calculation of affordable rents and home prices requires defining affordable housing expense for renters and owners. Affordable housing expense for renters is defined to include rent plus utilities, which is standard for affordable housing programs and practice. For owners, the definition of affordable housing expense includes mortgage principal, interest, property taxes and homeowner’s insurance. For renters, affordable housing expense is calculated at 30% of household income, the standard of virtually all rental housing programs. For owners, affordable housing expense is calculated at 35%, consistent with many first-time homebuyer programs and lender standards.





## **b. Occupancy Standards**

Income definitions for affordable housing assistance programs vary by household size, requiring the definition of occupancy standards (the number of persons per unit) for each unit size in order to calculate affordable rents and affordable owner housing costs. For the purposes of this analysis, affordable housing cost for the multifamily rental prototype is based on an occupancy standard of 1.5 persons per bedroom or, for example, 3 persons in a two-bedroom unit. This definition is consistent with the most valuable leverage sources for affordable rental housing: the Low Income Housing Tax Credit and tax-exempt bond programs. For the single-family ownership prototypes, affordable housing cost is calculated based on an occupancy standard of one person per bedroom plus one or, for example, 4 persons in a three-bedroom unit.

## **c. Utility Allowances**

Affordable net rents are calculated by subtracting allowances for the utilities paid directly by the tenants from the gross rent (or renter affordable housing cost).

For purposes of the renter gap analysis, utility allowances were incorporated. These allowances were effective October 1, 2013 from the Richmond Redevelopment and Housing Authority (RRHA).

## **d. Affordable Rents and Sales Prices**

**Table 2** summarizes affordable monthly net rents by income level and unit bedroom count.

**Table 3** shows affordable home prices by income level and unit bedroom count.

<b>Table 2</b> <b>Affordable Net Rents by Percent of Area Median Income and Unit Bedroom Count<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>					
<b>Unit Size</b>	<b>Extremely Low 30% AMI</b>	<b>Very Low 50% AMI</b>	<b>Low 60% AMI</b>	<b>Low 80% AMI</b>	<b>Moderate 100% AMI</b>
1 Bedroom	\$303	\$576	\$713	\$987	\$1,260
2 Bedrooms	\$362	\$690	\$854	\$1,182	\$1,510
3 Bedrooms	\$420	\$799	\$988	\$1,367	\$1,746

<sup>1</sup>U.S. Department of Housing and Urban Development published 2014 very low income limits, adjusted proportionally for percentage of AMI category. Gross rents are calculated assuming an occupancy standard of 1.5 persons per bedroom. Net rents are calculated assuming 30% of gross income spent on rent and then deducting RRHA multifamily apartment utility allowances of \$107 for a one-bedroom unit; \$130 for a two-bedroom unit, and \$149 for a three-bedroom unit. Sources: HUD, RRHA, DRA.

<b>Table 3</b> <b>Affordable Home Prices by Percent of Area Median Income and Unit Bedroom Count<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>				
<b>Unit Size</b>	<b>Very Low Income 50% AMI</b>	<b>Low Income 80% AMI</b>	<b>Moderate Income 100% AMI</b>	<b>Moderate Income 120% AMI</b>
1 Bedroom	\$116,000	\$192,000	\$243,000	\$294,000
2 Bedrooms	\$132,000	\$217,000	\$275,000	\$332,000
3 Bedrooms	\$148,000	\$243,000	\$306,000	\$370,000
4 Bedrooms	\$160,000	\$263,000	\$332,000	\$400,000

<sup>1</sup>Affordable mortgage principal and interest calculated by deducting the following from affordable owner monthly housing cost: annual property taxes and assessments at 1.2% of affordable home price and property insurance of \$75 per month. Affordable mortgage calculated assuming 5% owner downpayment, 6.0% fixed mortgage interest rate and 30-year mortgage term and amortization. Source: DRA.

## B. Summary of Existing Housing Needs

This section summarizes key measures of affordable housing need in the City of Richmond, identifies the existing inventory of subsidized rental housing, and assesses the current affordability of existing market rate housing options in the City. More detail on demographics, existing housing needs and market conditions is provided under separate cover in **Appendix A: Housing Needs and Market Assessment**.

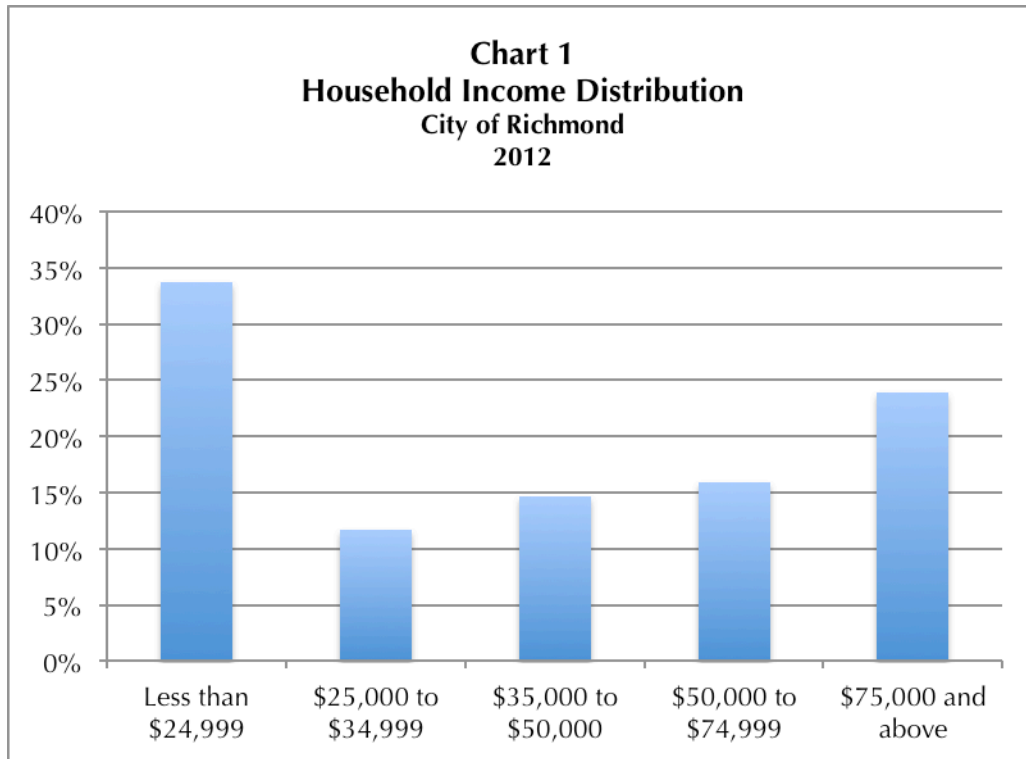
### 1. Household Income Distribution

The need for affordable housing in Richmond is driven by the household incomes of its households. **Table 4** and **Chart 1** summarize the income distribution of Richmond households.

Almost 35% of the City's households earn less than \$24,999 per year, which equals only 34% of the 2014 AMI for the City of Richmond (\$72,900) and supports an affordable rent of only \$500 per month for a two-bedroom unit.

<b>Annual Household Income</b>	<b>Number of Households</b>	<b>Percent of Households</b>	<b>Cumulative Percent</b>
Less than \$15,000	17,177	21%	21%
\$15,000 to \$24,999	10,644	13%	34%
\$25,000 to \$34,999	9,597	11%	45%
\$35,000 to \$49,999	12,102	15%	60%
\$50,000 to \$74,999	13,124	16%	76%
\$75,000 to \$99,999	7,675	9%	85%
\$100,000 to \$149,000	6,274	8%	93%
\$150,000 to \$199,999	2,455	3%	96%
\$200,000 or More	3,320	4%	100%
<b>Total</b>	<b>82,368</b>	<b>100%</b>	<b>--</b>

Sources: ACS 5-year estimates, DRA.



## 2. Overpayment

According to HUD’s standard, households paying more than 30% of their gross income on housing are considered to be cost-burdened (paying more than they can afford for housing). Households paying greater than this amount have less income remaining for other necessities such as food, clothing, utilities and health care. The problem is most severe for families with limited incomes.

**Table 5** shows the number of cost-burdened renter and owner households by income level paying more than 30% of gross income on housing, as well as those paying more than 50% of gross income on housing, based on data from the City’s 2013 Consolidated Plan. According to 2009 estimates, a total of 20,589 renter households in Richmond, or 48% of all renters, paid more than 30% of their income on housing. Of these households, 11,109 households, or 26% of all renter households, paid more than 50% of their income on housing.

Owner overpayment may be considered a choice, as some households choose to pay a higher percentage of their income for the benefits and security of owning a home. The 30% standard is considered low for owners. Lenders typically allow



owners to pay 35% or more of gross income for mortgage principal, interest, taxes and insurance. In 2009, 4,995 owner households, or 13% of all owners, paid more than 50% of gross income on housing.

Homeowners with very limited incomes may need assistance with home maintenance and repairs to stay in their homes for the long term.

<b>Table 5 Households Paying More Than 30% and More than 50% of Gross Income on Housing by Income Level<sup>1</sup> City of Richmond 2009</b>						
<b>Income Level: Tenure:</b>	<b>Less than 30% AMI</b>		<b>&gt;30% to 50% AMI</b>		<b>&gt;50% to 80% AMI</b>	
	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>
More Than 30% of Income on Housing	10,195	3,275	6,800	2,530	3,594	9,065
% of Total Households <sup>2</sup>	24%	8%	16%	7%	8%	24%
More Than 50% of Income on Housing	8,390	2,595	2,395	1,450	324	950
% of Total Households <sup>2</sup>	20%	7%	6%	4%	1%	2%

<sup>1</sup>Data from the 2005 to 2009 Comprehensive Housing Affordability Strategy (CHAS), as reported in the 2013 Consolidated Plan.

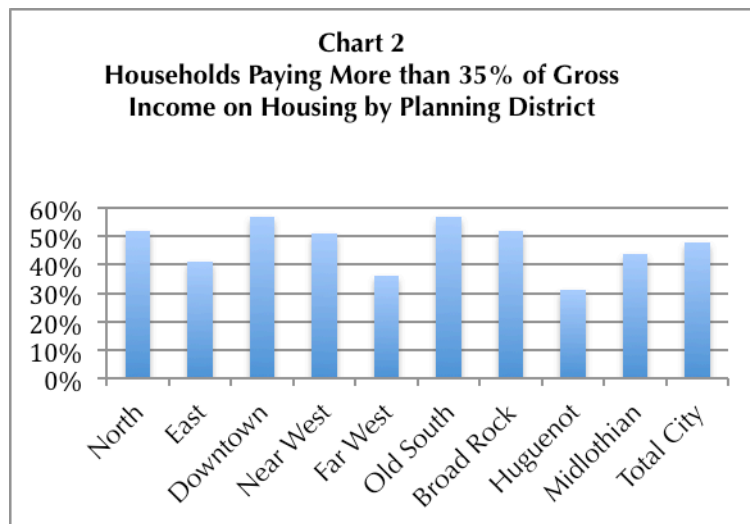
<sup>2</sup>Percent of total renter and owner households based on a total of 42,837 renter households and 38,393 owner households in the City in 2009.

Sources: "FY 2013-2015 Consolidated Plan" City of Richmond, August 1, 2013; DRA.

**Table 6** shows the number and percentage of cost-burdened renter households paying more than 35% of gross income on housing by Planning District in the City of Richmond. **Chart 2** graphically illustrates the percentage of cost-burdened households paying more than 35% of gross income on rent by Planning District.

<b>Planning District</b>	<b>Number of HH</b>	<b>% of Renter HH</b>
North	3,589	52%
East	2,814	41%
Downtown	1,139	57%
Near West	4,982	51%
Far West	500	36%
Old South	2,870	57%
Broad Rock	2,159	52%
Huguenot	454	31%
Midlothian	3,202	44%
Total City	21,709	48%

Sources: ACS 5-Year estimate; AREA, Inc.; DRA.



### 3. Substandard Housing Conditions

The City of Richmond’s 2013 Consolidated Plan provides estimates of substandard housing units lacking complete plumbing or kitchen facilities. The estimated numbers of households living in substandard housing by income level in 2009 are shown in **Table 7**. Just 2% of Richmond households live in housing units lacking complete plumbing or kitchen facilities. However, this statistic does not include the many vacant and blighted housing units in Richmond that are in need of major rehabilitation. Data on the number of such units is limited.

<b>Table 7</b> <b>Households Living in Substandard Housing Lacking Complete Plumbing or Kitchen Facilities<sup>1</sup></b> <b>City of Richmond</b> <b>2009</b>						
Income Level:	Less than 30% AMI		>30% to 50% AMI		>50% to 80% AMI	
	Renters	Owners	Renters	Owners	Renters	Owners
Households Living in Substandard Housing <sup>1</sup>	575	20	115	0	90	60
% of Total Households <sup>2</sup>	1.3%	0.0%	0.3%	0.0%	0.2%	0.2%

<sup>1</sup>Number of households living in substandard housing lacking complete plumbing or kitchen facilities. Data from the 2005 to 2009 Comprehensive Housing Affordability Strategy (CHAS), as reported in the 2013 Consolidated Plan.

<sup>2</sup>Percent of total renter and owner households based on a total of 42,837 renter households and 38,393 owner households in the City in 2009.

Sources: “FY 2013-2015 Consolidated Plan” City of Richmond, August 1, 2013; DRA.

### 4. Overcrowding

HUD defines overcrowding, for the purposes of the U.S. Census, as more than one person per room, excluding bathrooms and kitchens. Overcrowding is often a symptom of housing unaffordability, as households double up or fit into smaller units to reduce housing costs. As shown in **Table 8**, based on 2009 estimates from the City’s 2013 Consolidated Plan, the incidence of overcrowding in the City was relatively low. A total of 929 very low and low income renter households were overcrowded according to the HUD definition, representing 2.2% of all renter households. Only 155 owner households were overcrowded, representing 0.4% of all owner households in the City. About 164 of these renter households and

40 owner households were severely overcrowded, based on HUD’s standard for severe overcrowding of 1.5 people per room.

It should be noted that there are no federal legal standards for overcrowding. In a reasonable effort to allocate scarce financial resources for affordable housing, housing programs use occupancy standards, which typically allow for up to “two persons per bedroom plus one” to occupy an affordable housing unit (e.g., five persons in a two-bedroom unit).

<b>Income Level:</b>	<b>Less than 30% AMI</b>		<b>&gt;30% to 50% AMI</b>		<b>&gt;50% to 80% AMI</b>	
<b>Tenure:</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>
Single-Family Households	405	0	105	80	194	30
Multiple-Family or Non-Family Households	80	0	90	10	55	35
Total	485	0	195	90	249	65
% of Total Households <sup>2</sup>	1.1%	0.0%	0.5%	0.2%	0.6%	0.2%

<sup>1</sup>Data from the 2005 to 2009 Comprehensive Housing Affordability Strategy (CHAS), as reported in the 2013 Consolidated Plan.

<sup>2</sup>Percent of total renter and owner households based on a total of 42,837 renter households and 38,393 owner households in the City in 2009.

Sources: “FY 2013-2015 Consolidated Plan” City of Richmond, August 1, 2013; DRA.

## 5. Homeless Issues

The City of Richmond’s 2013 Consolidated Plan contains estimates of the City’s homeless population based on the data collected by Homeward, Inc. in January, 2013. A total of 815 persons in households with only adults experience homelessness on a given night, of which 645, or nearly 80%, receive shelter. All of the approximately 184 persons in households with adults and children experiencing homelessness receive shelter. Veterans account for about 139 of the homeless persons on a given night with shelter and 21 of those without shelter.



## C. Existing Affordable Housing Supply

This section summarizes available data on existing rent- and income-restricted rental housing in the City of Richmond. Data on public housing assets and other federally subsidized housing in Richmond is summarized below.

### 1. Public Housing

The Richmond Redevelopment and Housing Authority (RRHA) serves as the Public Housing Authority (PHA) for the City of Richmond. RRHA currently owns approximately 3,900 public housing units, as summarized in **Table 9**. Detail on this inventory is provided in **Appendix A2**. Nearly all of the public housing units (over 96%) were built prior to 1984 and therefore are at least 30 years old. At least two-thirds, or 2,575 units, were built prior to 1964 and are more than 50 years old

In 1997 RRHA was awarded a HOPE VI Revitalization Grant of approximately \$27.0 million to demolish 440 public housing units in the Blackwell community and replace them with new apartments and single-family homes. To date, the agency has not completed construction of all HUD planned units.

Beginning in 2008, RRHA embarked on the Dove Court revitalization program, involving demolition of Dove Court and the vacant Carrington/Northridge property, which had a combined site area of 11.5 acres. New housing constructed in place of the prior public housing includes one-, two- and three-bedroom apartments and townhomes at Highland Grove apartments.

RRHA is currently in the predevelopment stage of demolishing and replacing the 504 public housing units at Creighton Court and the 447 units at Whitcomb Court. The Agency has entered into an agreement with The Community Builders, Inc. (TCB) out of Boston to serve as master developer for this project.

**Table 9**  
**Summary of Public Housing Inventory**  
**Richmond Redevelopment and Housing Authority**  
**December 31, 2013**

<b>Property Name</b>	<b>Year Built</b>	<b>Number of Units</b>	<b>Family or Senior</b>
Gilpin Court	1942	781	Family
Hillside Court	1952	402	Family
Creighton Court	1952	504	Family
Whitcomb Court	1958	441	Family
Fairfield Court	1958	447	Family
Mosby Court	1962/1970	458	Family
Bainbridge	1971	18	Family
Overlook/Mimosa	1976	10	Family
Afton Avenue	1980	40	Family
Fulton	1980	64	Family
Randolph Apartments	1984	52	Family
Oscar E. Stovall Apartments	1986	30	Family
Greenwalk	2008	20	Family
Small Used Houses (2)	Various	75	Family
<b>Subtotal Family</b>		<b>3,342</b>	
Frederic A. Fay Towers	1971	200	Senior
1200 Decatur	1971	24	Senior
Fourth Avenue	1978	105	Senior
Stonewall	1978	70	Senior
700 S. Lombardy	1978	75	Senior
Old Brook Circle	1978	25	Senior
Melvin C. Fox Manor	1986	50	Senior
<b>Subtotal Senior</b>		<b>549</b>	
<b>Total</b>		<b>3,891</b>	

Source: Richmond Redevelopment and Housing Authority, "Richmond Redevelopment and Housing Authority Profiles," statistics as of 12/31/13.

## 2. Other Federally Subsidized Housing

The National Housing Preservation Database (NHPD), created by the Public and Affordable Housing Research Corporation (PAHRC) and the National Low Income Housing Coalition (NLIHC) incorporates all available data on federally subsidized affordable housing properties, including nine separate funding categories.<sup>1</sup>

**Table 10** summarizes federally subsidized properties contained in the NHPD for Richmond, including those with use restrictions expiring before December 31, 2014. This inventory is detailed in **Appendix A2**. The number of units is broken out for the two major funding sources of existing federally subsidized housing in Richmond: HUD Project-Based Rental Assistance (PBRA) programs<sup>2</sup> and Low Income Housing Tax Credits (LIHTC).

<b>Funding Source</b>	<b>Expiring 2014 to 2019</b>	<b>Expiring 2020 to 2024</b>	<b>Total</b>
LIHTC <sup>1</sup>	3,037	3,895	6,932
HUD PBRA <sup>2</sup>	2,454	754	3,208
Other <sup>3</sup>	554	175	729
<b>Total</b>	<b>6,045</b>	<b>4,824</b>	<b>10,869</b>

<sup>1</sup>Low Income Housing Tax Credits.

<sup>2</sup>HUD Project-Based Rental Assistance, including Project-Based Section 8, RAP, Section 202 and Section 811

<sup>3</sup>Includes HUD insured projects (Section 236, Section 221(d)(3)BMIR, non-subsidized HUD insured), Section 202 Direct Loans, HOME, Rural Dev. 515, Rural Dev. 538, and State HFA 236.

Sources: National Housing Preservation Database, August, 2014; DRA.

<sup>1</sup> Including Project-Based Rental Assistance, HUD Insurance, Section 202 Direct Loans, LIHTC, HOME, Rural Dev. 515, Rural Dev. 538, Public Housing and State HFA 236.

<sup>2</sup> Includes Project-Based Section 8, RAP, Section 202 and Section 811.

## D. Market Rents and Home Prices

### 1. Comparison of Market and Affordable Rents and Sales Prices

#### a. Comparison of Market and Affordable Rents

**Table 11** compares affordable rents by income level with average market rents in the City of Richmond. Affordable rents for very low income households are well below average apartment rents and single-family rents. Average apartment rents exceed very low income affordable rents by 39% for a one-bedroom unit and 31% for a two-bedroom unit.

The rent affordable to households at 60% of AMI is about 10% below average market rent for one-bedroom units and 5% below market rent for two-bedroom units. Rents affordable to moderate income households substantially exceed average apartment rents.

<b>Table 11</b> <b>Comparison of Average Market and Affordable Rents</b> City of Richmond 2014					
	Average Affordable Rent				Average Market Apartment Rent
	Very Low Income 50% AMI	Low Income 60% AMI	Low Income 80% AMI	Moderate Income 100% AMI	
1 Bedroom	\$576	\$713	\$987	\$1,260	\$800
2 Bedroom	\$690	\$854	\$1,182	\$1,510	\$905
3 Bedroom	\$799	\$988	\$1,367	\$1,746	N/A

Sources: Dataquick, DRA.

**Table 12** presents the distribution of rental housing units by the amount of rent paid, and shows the income categories to which those units are affordable. **Chart 3** displays the distribution of rental units by Planning District with rents above and below \$1,000 per month.

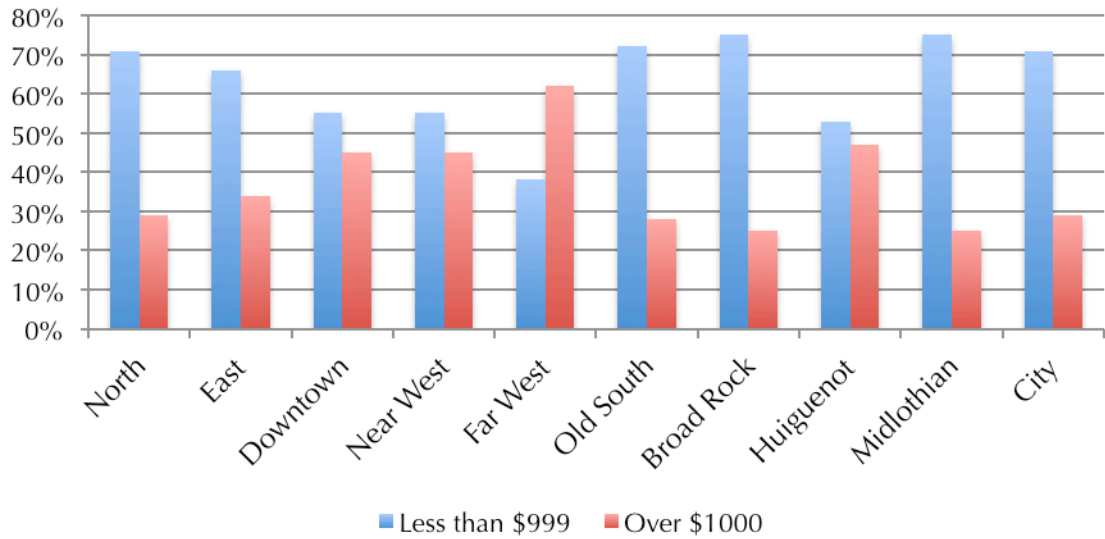


**Table 12**  
**Distribution of Rental Housing Units by Rent Paid**  
 City of Richmond  
 2012

Monthly Rent Category	Affordable to:	Number of Units	Percent of Units	Cumulative Units	Cumulative Percent
Less than \$500	Very Low	6,897	15%	6,897	15%
\$500 to \$749	Very Low	9,196	20%	16,093	35%
\$750 to \$999	Very Low/Low	13,794	30%	29,886	65%
\$1,000 to \$1,499	Low/Moderate	12,414	27%	42,301	92%
\$1,500 or More	Moderate+	3,678	8%	45,979	100%
<b>Total</b>		<b>45,979</b>	<b>100%</b>		

Sources: ACS 5-Year estimates; AREA, Inc.; DRA.

**Chart 3**  
**Percent of Units with Rents Above and Below \$1,000 Per Month**  
 City of Richmond Planning Districts  
 2012



## b. Comparison of Market and Affordable Sales Prices

**Table 13** compares affordable home sales prices with the price distribution of home sales in the City in the first five months of 2014. Approximately 42% of three-bedroom homes were affordable to very low income households. About 64% of three-bedroom homes were sold at prices affordable to low-income households, while 80% of them are affordable to moderate income households at 100% of AMI.

While there is a substantial amount of housing sold at affordable prices in Richmond, these statistics do not reflect the condition of the homes sold. The home sales data include sales of vacant or blighted units in need of substantial rehabilitation, or even demolition and new construction, before they can provide decent housing for Richmond residents.

Unit Bedroom Count	Very Low Income 50% AMI		Low Income 80% AMI		Moderate Income 100% AMI	
	Affordable Sales Price	% of Sales Below Afford. Price <sup>2</sup>	Affordable Sales Price	% of Sales Below Afford. Price <sup>2</sup>	Affordable Sales Price	% of Sales Below Afford. Price <sup>2</sup>
2 BR	\$132,000	77%	\$217,000	42%	\$275,000	26%
3 BR	\$148,000	84%	\$243,000	64%	\$306,000	42%
4 BR	\$160,000	90%	\$263,000	80%	\$332,000	52%

<sup>1</sup>Based on price distribution of home sales by unit bedroom count in the City of Richmond for January 1, 2014 through May 30, 2014. Based on sales data for 49 two-bedroom units, 147 three-bedroom units and 62 four-bedroom units.

<sup>2</sup>Equals estimated percent of total home sales (including new and existing homes) by unit bedroom count sold at or below affordable price. Percentages by income level are cumulative.

Sources: Dataquick Information Systems, DRA.

## E. Subsidy Required to Develop Affordable Housing

DRA prepared an affordability gap analysis to estimate the capital subsidy required to develop housing affordable to families at a range of income levels. As used in this Affordable Housing Strategy, the term “affordability gap” means the difference between the amount a household at a specified income level can afford to pay toward housing and the actual development cost of a typical housing unit. The affordability gap represents the estimated amount of subsidy required from local or non-local resources to make development of affordable housing in Richmond feasible. The detailed gap analysis is presented in **Appendix B**.

DRA examined the estimated subsidy requirements, or affordability gaps, for four housing prototypes:

- Prototype #1:** Shell acquisition and rehabilitation of an existing vacant or blighted three-bedroom single-family home.
- Prototype #2:** New construction of three-bedroom single-family home on an infill lot or small tract;
- Prototype #3:** New construction of an 80-unit apartment property; and
- Prototype #4:** Rehabilitation of an existing 47-unit apartment property.

**Table 14** summarizes the estimated average per unit total development cost by prototype.

**Table 15** summarizes estimated subsidy requirements by income level, for the two single-family owner housing prototypes analyzed in the gap analysis. Gaps are shown under low, middle and high development cost scenarios based on sales prices that are affordable to very low income and low income homebuyers. It also shows the gaps between estimated development costs and a range of market prices in Richmond’s neighborhoods. Where total development costs exceed market prices for the finished product, there is a “feasibility gap” as well as, or instead of, an “affordability gap” on the unit.

For the renter prototype, we first calculate the gaps assuming market rate development, and then compare that to the average per unit gap after the use of 9 Percent Low Income Housing Tax Credits or 4 Percent tax credits and tax-exempt bonds to demonstrate the economic value of those leveraged financing sources. **Table 16** shows estimated per unit subsidy requirements assuming no leverage, and with 4 Percent and 9 Percent tax credits.

<b>Table 14</b> <b>Summary of Average Per Unit Development Costs by Prototype</b> <b>Richmond Affordability Gap Analysis</b> <b>2014</b>				
	<b>Prototype #1</b> <b>Single-Family</b> <b>Acquisition and</b> <b>Rehabilitation<sup>1</sup></b>	<b>Prototype #2</b> <b>Single-Family</b> <b>Infill New</b> <b>Construction</b>	<b>Prototype #3</b> <b>New</b> <b>Construction</b> <b>Apartment</b>	<b>Prototype #4</b> <b>Rehabilitated</b> <b>Apartment</b>
<b>Multifamily</b>	N/A	N/A	\$151,000	\$85,000
<b>Single-Family</b>				
Low Cost Scenario	\$218,000	\$183,000	N/A	N/A
Middle Cost	\$249,000	\$211,000	N/A	N/A
Scenario	\$279,000	\$234,000	N/A	N/A
High Cost Scenario				

N/A = not applicable.

Source: DRA.

<b>Table 15</b> <b>Summary of Per Unit Subsidy Requirements</b> <b>Owner Housing Prototypes</b> <b>City of Richmond</b> <b>2014</b>			
	<b>Very Low Income</b> <b>50% AMI</b>	<b>Low Income</b> <b>80% AMI</b>	<b>Market</b>
<b>Home Price</b>	\$147,500	\$242,800	\$136,000 to \$181,000
<b>Per Unit Subsidy Required</b>			
<b>Single-Family Acquisition and Rehabilitation</b>			
Low Scenario	\$70,500	\$0	\$82,000
Middle Scenario	\$101,500	\$6,200	\$90,500
High Scenario	\$131,500	\$36,200	\$98,000
<b>Single-Family New Construction</b>			
Low Scenario	\$35,500	\$0	\$47,000
Middle Scenario	\$63,500	\$0	\$40,000
High Scenario	\$86,500	\$0	\$33,000

Source: DRA.

<sup>1</sup> Assumes shell rehabilitation of vacant/blighted unit.



<b>Table 16</b> <b>Summary of Per Unit Subsidy Requirements</b> <b>Renter Housing Prototypes With and Without Tax Credits</b> <b>City of Richmond</b> <b>2014</b>			
<b>Housing Prototype</b>	<b>No Leverage</b>	<b>4% Tax Credits with Tax-Exempt Bonds</b>	<b>9% Tax Credits</b>
New Construction Rental Apartment	\$93,000	\$30,000	\$2,000
Rehabilitated Rental Apartment	\$44,800	\$13,300	\$2,300

Source: DRA.

## F. Existing Resources for Affordable Housing

DRA reviewed affordable housing resources currently available to the City of Richmond from federal, state and local housing programs. Estimated revenues from these sources are summarized in **Table 17**. Many of the HUD sources are targeted for specific types of affordable housing programs. A more detailed description is found in **Appendix C: Existing Revenue Sources for Housing**.

<b>Table 17</b> <b>Existing Resources for Housing</b> <b>City of Richmond</b> <b>2014 and 2015 (Proposed)</b>			
	<b>Source (Type)</b>	<b>2014</b>	<b>2015 (Proposed)</b>
CDBG <sup>1</sup>	HUD (Federal)	\$2,936,031	\$3,974,572
HOME <sup>2</sup>	HUD (Federal)	\$804,045	\$1,103,415
HOPWA <sup>3</sup>	HUD (Federal)	\$668,368	\$1,078,026
NSP <sup>4</sup>	HUD (Federal)	\$2,300,000	\$2,300,000
ESG <sup>5</sup>	HUD (Federal)	\$285,378	\$271,311
Richmond Housing Trust Fund	(Local)	\$250,000	\$1,000,000

<sup>1</sup>Community Development Block Grant

<sup>2</sup>HOME Investment Partnership Program

<sup>3</sup>Housing Opportunities for Persons with AIDS

<sup>4</sup>Neighborhood Stabilization Program

<sup>5</sup>Emergency Shelter Grants

Sources: City of Richmond 2015 Biennial Fiscal Plan, DRA.

## G. Affordable Housing Trust Fund Revenue Options

DRA reviewed revenue sources prospectively available to fund the City's Affordable Housing Trust Fund (AHTF) on an ongoing annual basis. For purposes of this analysis, the term "revenue source" means funds allocated to the AHTF that the AHTF in turn loans or grants to support the creation or preservation of affordable housing. The AHTF may also use such funds, in whole or in part, to pay debt service on bonds, the proceeds of which AHTF would use to invest in affordable housing.

In considering AHTF revenue options, the City may choose among three primary options: (1) create a dedicated revenue stream from specified taxes and fees, (2) support the AHTF from annual appropriations out of its general fund, or (3) utilize a combination of options 1 and 2 above. If the AHTF is supported as a General Fund expenditure, then the City may not feel that it is necessary or appropriate to identify specific AHTF sources of revenue. However, DRA's revenue analysis is valuable to the City, as it identifies new revenue options to support higher contribution levels.

An advantage of a dedicated revenue stream is that it provides better assurances of long-term funding availability in comparison to general fund support. Dedicated funding would make the AHTF less vulnerable to the uncertainties of annual appropriations, although, depending on the funding source, there may still be significant year-to-year fluctuations in funding amounts.

**Table 18** summarizes revenue estimates for revenue sources prospectively available to capitalize the AHTF on an ongoing, annual basis, as well as advantages and disadvantages of each source. Virginia is a Dillon Rule state, giving the State legislature jurisdiction over local taxing powers, and prohibiting a local government from levying a new tax or increasing an existing tax unless it has the expressed authority to do so under State law. A number of taxes and fees are at their caps and therefore cannot be increased to fund affordable housing. These are not included in Table 18. A detailed analysis of all revenue sources reviewed is provided in **Appendix D: Affordable Housing Trust Fund: Revenue Options Analysis**.

<b>Revenue Source</b>	<b>Revenue Increase Projections</b>	<b>Advantages</b>	<b>Disadvantages</b>
1. Real Property Taxes	\$1.0 million- \$3.8 million		City's Current tax rate is highest among comparable jurisdictions.
1.1. Expiring Rehabilitation Property Tax Exemptions	Housing allocation based on 1/3 share of increment: 2015: \$0.2 million 2020: \$3.7 million 2022: \$5.6 million	Significant revenue after 6 years. Does not require rate increase.	Proposed ordinance shares revenue with education and transit. Revenues escalate over time, with small inflows in early years, especially if housing receives 1/3 share.
2. Personal Property Tax On Vehicles	\$2.0 million- \$3.3 million	Nominal rate is less than statewide median, but effective rate is slightly higher than median.	
3. Machinery & Tools Tax	\$1.5 million- \$3.1 million		Limited revenue.
4. Consumer Utility Taxes	NA		Residential rates are at the state max. Existing rates appear high relative to comparable jurisdictions.
5. Prepared Food Tax	\$2.5 million- \$5.0 million		Current rate is higher than all comps except Norfolk.
6. Lodging (Hotel) Tax	\$0.9 million \$1.7 million		Limited revenue. Potential restrictions related to obligation to support Richmond Convention Center.
7. Business License Fees	NA		Limited revenue as most fees are at maximum rate allowed by the State.
8. Vehicle License Fee	\$0.7 million \$2.1 million		Limited revenue.
9. Cigarette and Tobacco Tax	\$4.1 million \$6.7 million	Significant revenue potential. All comps assess tax and it is widely used throughout State.	
10. Inclusionary Housing In-Lieu Fees	NA	Funds must be used for affordable housing	Limited and uneven revenue.
11. Sale of City-Owned Land	NA		Limited and uneven revenue.
12. Reserve Funds	Available balances, if any, TBD	Possible AHTF one-time "start up" capital. Asset renewal fund may be an appropriate funding source for RRHA properties	

Source: DRA



## II. Strategy Recommendations

This section summarizes DRA's recommendations for the City's Comprehensive Affordable Housing Strategy (the "Strategy"), including affordable housing goals, functions, organization, staff qualifications and program elements. These recommendations are based on DRA's assessment of:

- Housing needs;
- Market conditions;
- Housing subsidy requirements;
- Local resources and assets;
- Evaluation of potential new financing resources for housing; and
- Review of the current structure of housing and related functions in the City, based on analysis of available data and interviews with City staff and local stakeholders, including local nonprofit housing development corporations and private for-profit developers.

### A. Principles and Goals

#### 1. Guiding Principles

To help clarify the basis of DRA's recommendations for the Framework, Goals and Program Elements of the Strategy, we suggest several principles for a sound Affordable Housing Strategy:

##### a. Targeting Those Most in Need

The Affordable Housing Strategy should target resources toward those households most in need of assistance.

##### b. Preserving Assisted Housing

Given the scarcity of City and other public resources, affordable housing that benefits from City financial assistance should be preserved for the longest feasible term. Continuing escalation in land and housing costs will make housing

increasingly unaffordable to low-wage workers. When substantial financial assistance is involved in its development or preservation, affordable housing should be seen as a permanent community resource, much like parks, cultural facilities and other community amenities. In this fashion, while individual residents of City-assisted housing may move on to market rate housing as their earning potential and financial condition improve, the affordable housing units will remain affordable to new occupants through the units' useful economic life.

**c. Sound Investment and Financial Management of City Resources Through Leveraging**

The City's Affordable Housing Trust Fund should be managed in a sound and fiscally responsible manner by leveraging non-City public and private sector investments in affordable housing to the maximum degree feasible. State and federal subsidies should be combined with both construction and long-term finance capital from private lenders to the maximum extent sound underwriting allows.

**d. Efficient and Flexible Program Design**

The administration of the Housing Trust Fund should assure efficiency for private sector project sponsors, both for-profit and nonprofit. Administrative overhead should be minimized. Flexibility and creativity should be maximized. The Trust Fund should be able to take advantage of unforeseen opportunities as they arise. The City's program elements should be responsive to changing affordable housing needs community-wide.

**e. Productive Investment**

Trust Fund resources should be used to encourage productive investment in Richmond, including the creation of direct and indirect employment resulting from affordable housing construction activity. In this way, affordable housing development will complement the City's economic development goals. The provision of quality affordable housing has proven to be a powerful incentive for employers to locate in a given city.

**f. Public/Private Partnerships**

The Trust Fund should foster the emergence of a wide variety of public-private partnerships in the provision of affordable housing. Such partnerships may include joint ventures between for-profit and nonprofit housing developers, the

involvement of private sector lenders in construction, bridge and permanent financing, and corporate equity investments made in affordable housing projects in exchange for federal tax credits.

## **2. Framework/Best Practices**

Several issues provide the framework within which the City's Affordable Housing Strategy and programs should be developed. This framework is based on current best practices in affordable housing across the country.

### **a. Density**

Providing additional density in exchange for the development of affordable housing units is a widely used national practice. Currently, higher-density development, which is also more costly to build, is not economically feasible in certain locations in the City. Therefore, a widespread density bonus program needs to be examined fully before any serious consideration can be undertaken.

However, the City should remain responsive to requests for additional density from developers when they occur, with the ability to provide additional density in exchange for affordable housing units.

The City's planning and zoning efforts for major commercial corridors and areas adjacent to transit should take advantage of density that is currently feasible and provide for increased density in the future as market conditions change.

### **b. Term of Affordability**

Projects assisted with the Housing Trust Fund should be required to preserve affordability for the longest feasible term. Techniques the City may use to assure such long-term affordability include recorded rent and resale restrictions, loan agreements, and ground leases.

To the extent the City provides financial assistance to rental housing, it should preserve the authority of the City to remove the property management agent of any assisted property that experiences problems with tenant selection, mortgage delinquency, operating deficits or other issues that could cause material problems for the project and the surrounding neighborhood. Affordable housing acquisition opportunities should be structured to preserve existing neighborhood character by retarding the effects of absentee ownership and neglect.



### **c. Location**

Consistent with the Mayor's Anti-Poverty Commission Report, affordable housing should be scattered throughout the City, while simultaneously complying with the parking, design, transportation and amenity standards of the City, to create a balanced community and mix of housing types envisioned by the City's plan for growth.

The acquisition and rehabilitation of existing housing and infill development on vacant lots should be done strategically to take advantage of market opportunities and conditions, while maximizing the neighborhood revitalizing effects of affordable housing investment.

### **d. Mixed-Use and Mixed-Income Projects**

Supporting mixed-use and mixed-income housing, through zoning and other incentives, can also contribute to achieving a balanced community and diversity of housing types and prices in the City.

### **e. Energy Efficiency**

Affordable housing should be built or rehabilitated to take advantage of cost-effective energy efficiency techniques to the greatest extent feasible.

This can include site planning for maximum passive solar advantage, use of wall and ceiling insulation, use of energy efficient appliances and, for rental housing, consideration of long-term operating cost savings to balance higher installation costs of energy-using systems.

### **f. Maximize Assistance**

The City should seek to serve the greatest number of people possible with the Housing Trust Fund, while addressing the other goals of the City's Comprehensive Affordable Housing Strategy. The gap analysis, adjusted annually as appropriate, can be used to gauge the scale of financial assistance needed for different affordable housing product types and alternative income targeting goals, and to provide the City with an estimate of the leverage the City can realistically expect to achieve from non-City sources, including federal, State and corporate funds.

### 3. Goals

Based on the above framework for affordable housing in Richmond, and housing subsidy requirements as illustrated in the affordability gap analysis, the City can develop realistic goals for the number of households that may be assisted by the City's affordable housing programs.

Establishing goals for the Comprehensive Affordable Housing Strategy hinges upon the interplay of several factors, including:

- The number of Richmond households, current and projected, that are burdened by the cost they pay for their housing, and the number of substandard units requiring rehabilitation;
- The cost of constructing or rehabilitating housing;
- The amount of money and other resources (i.e., land) the City has available to provide housing assistance to these households; and
- The amount of state, federal and/or private sector subsidy capital the City is able to leverage with its own funds in order to adequately provide housing assistance for the City's residents.

The Housing Needs Assessment conducted as part of the Affordable Housing Strategy, and incorporated into an Appendix to this report, provides a detailed examination of current and projected housing needs in Richmond. Cost-burdened households are those paying too much for housing, defined as households paying more than 30% of gross household income for housing<sup>1</sup>. Severely cost-burdened households are those paying more than 50% of gross income for housing.

According to Richmond's five-year ACS for 2012, there are nearly 8,400 renter households, representing one in five households in Richmond, that earn less than 30% of AMI (\$21,900 per year for a family of four in 2014) and pay more than 50% of their gross income on housing (rent plus utilities). These households represent the most severe housing needs for the City.

There are also numerous vacant housing units and lots in the City that create a blight on their neighborhoods. The Richmond Redevelopment and Housing

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<sup>1</sup> Housing costs defined by U.S. Census to include rent plus utilities for renters; principal, interest, taxes, insurance and utilities for owners.

Agency (RRHA) owns more than 400 such properties and there are approximately 4,000 vacant, tax-delinquent properties in the City, many of which contain blighted single-family units.

The City's existing financial resources for affordable housing are limited. The Richmond Housing Trust Fund currently has a balance of approximately \$1 million. The City expects to receive approximately \$8.7 million in HUD funds in FY 2015. This includes \$1.1 million in HOME funds and \$2.3 million in Neighborhood Stabilization Program (NSP) funds that can be used for a range of housing assistance programs. It also includes \$1.08 million in Housing Opportunity for Persons with AIDS (HOPWA) funds and \$271,000 in Emergency Shelter Grant (ESG) funds, which have very targeted use requirements. The largest share of the City's HUD funds are from the Community Development Block Grant Program (CDBG), which can be used for a wide variety of programs benefitting low income persons in the community. In 2012, the City used only about a quarter of its CDBG funds for housing.

DRA has evaluated a wide range of potential new resources that could be dedicated to the Richmond Housing Trust Fund. DRA recommends that the City commit \$10 million or more per year over the next decade to have a meaningful housing program. These funds should be leveraged to the maximum extent possible using available State, federal, and private sector subsidy capital to fill the affordability gap on affordable housing development or preservation projects. In addition, private-sector construction and permanent financing should be secured to the extent supportable using sound underwriting practices.

DRA recommends that the City and RRHA prepare capital plans to provide precise unit production and leverage goals based on the availability of local funds for affordable housing and realistic leverage assumptions. The most important source of leveraged funds is the Low Income Housing Tax Credit Program. Historically, affordable housing projects in the City have been reasonably successful in securing allocations of tax credits. Over the five year period from 2009 to 2013, affordable housing developments in the City of Richmond were successful in securing 9 Percent tax credits for an approximate average of 250 units per year. An additional 100 units per year on average received 4 Percent tax credits and tax exempt bonds.

The City of Richmond competes for 9 percent tax credits in the Richmond MSA geographic pool, which received 11.6% of VHDA's statewide allocation in 2014. Nonprofit developers of affordable housing in Richmond are also able to compete in the statewide nonprofit pool. RRHA is eligible to compete in the local housing

authority (LHA) pool VHDA makes available statewide. Each of these two pools received 15% of VHDA's allocation in 2014.

In 2014, two Richmond projects received 9 percent tax credit allocations, one rehabilitation project in the nonprofit pool (Cary Street Preservation, 47 units) and the second a new construction project in the geographic pool (Ashe Gardens, 40 units), for a total of 87 units. A third Richmond project (77 units) was unsuccessful in receiving an allocation. The City of Richmond financially supported the Cary Street project in the amount of \$100,000 in funds, or \$2,100 per unit. The Ashe Gardens project was developed without City subsidy.

New revenues for housing will ensure that the City can provide needed subsidy to assist 9 percent tax credit applications, as needed. While the two projects receiving allocations of 9 percent tax credits in 2014 required minimal City subsidy, that is not always the case, depending upon factors such as income targeting, the tenant population and need for services, as well as individual project land and development costs. For example, recent 9 percent tax credit supportive housing project targeted to households earning less than 30% of AMI required \$38,000 per unit in City subsidy.

To the extent that competitiveness for 9 percent tax credits may be limited by the size or competitiveness of the various pools, City subsidy can also be used to subsidize 4 percent tax credits and tax-exempt bond projects. For practical purposes, the use of this program is not limited, as VHDA routinely has large amounts of unused bond authority and projects receiving bond allocations automatically receive 4 percent tax credits.

Assuming \$10 million in funds for housing annually over a ten-year period, the Trust Fund could assist the construction of approximately 3,300 new very low income rental units leveraged with tax credits (at an average per-unit subsidy of \$30,000 per unit). Limited sources are available to leverage owner housing, so the same \$10 million per year could assist the acquisition and rehabilitation of only 1,250 single-family units (at an average per unit subsidy of \$80,000 per unit) over the next decade.

The recommended program elements, described in Section C. below, include those that can potentially be implemented at the current level of local resources for housing, and those that would require a substantial increase in new revenue sources for affordable housing.

## **B. Housing Functions, Organization and Qualifications**

Implementation of Richmond’s Comprehensive Affordable Housing Strategy will require adequate capacity at the City to carry out the various program elements described in Section C. This section outlines key housing functions, along with staff qualifications and recommendations on organizing these functions.

### **1. Housing Functions**

#### **a. Housing Policy and Advocacy**

A key municipal government housing function is to provide housing policy leadership. Important elements of a housing policy involve goal setting, program development, the promotion of interagency and intergovernmental collaboration, outreach with affordable housing advocacy organizations, partnerships with financial institutions, and policy advocacy on behalf of the City at the State and federal government levels. Housing policy and advocacy tasks include but are not limited to:

- Establishing annual and multiyear affordable housing investment levels and priorities, production and preservation goals;
- Promoting housing investment through administrative reforms in the areas planning, building permit and zoning approvals, permit fees and other municipal actions, disposition of City-owned land, finance and investment policy;
- Promoting targeted and coordinated investment in housing, neighborhood redevelopment, public housing transformation, transportation, infrastructure, schools and public amenities; and
- Coordinating housing affordability, development and preservation policies with the Richmond Redevelopment and Housing Authority (RRHA), and working in effective collaboration with RRHA to advance the goals of the Transformation Collaborative.

#### **b. Housing Finance**

Implementing a meaningful and substantial housing program to address the City’s considerable affordable housing needs will require a capital commitment by the

City of Richmond of least \$10 million per year in revenues to its Affordable Housing Trust Fund over the long-term. Given the long lead times for housing development, site assembly, public housing transformation and neighborhood revitalization, this should be a decade-plus effort. This effort will require the following housing functions to be fully organized, staffed and carried out by the City:

1. Affordable housing lending, providing loans for housing projects involving new construction and rehabilitation of existing housing, including adequate documentation of those loans through loan agreements, mortgage and security agreements, regulatory agreements (including rent and income restrictions, affordability terms, ground lease and other financing instruments).
2. Establishment of underwriting policies, criteria and processes to provide adequate protections of the City's investment in affordable housing developments, to ensure long-term financial feasibility and compliance with City goals and policies, and to avoid overcapitalization with scarce City funds. Important underwriting policies include establishing general pro forma analysis assumptions, debt coverage requirements, income and operating expense analyses, standards to assess and control development costs, developer fee policy, development team standards with regard to experience and financial capacity, general partner/developer guarantees, insurance requirements, reserve requirements, equity capital contribution requirements and more.
3. Review and monitoring of the qualifications and capacity of construction teams (architect, engineer, environmental consultant and general contractor) to ensure the appropriateness of scopes of work and the reasonableness of the construction budgets and contingencies, the sufficiency of construction completion assurances, and construction monitoring.
4. Sufficient asset management capacity to monitor the financial performance and regulatory compliance of the City's affordable housing loans and the underlying projects, identify troubled projects, and put in place work-out and other procedures to correct troubled assets.
5. Procedures and criteria for the selection of affordable housing projects to receive City funding consistent with the City's affordable housing goals, strategy and underwriting criteria.
6. Procedures and criteria for the assessment and due diligence of nonprofit and for-profit developers to ensure that the City's affordable housing development



partners have adequate experience, financial and staff capacity to develop and operate affordable housing projects subsidized with City funds.

7. Loan approval procedures, including the use of loan approval committees, and the creation of loan report templates. It is essential that housing finance and project approvals derive from established, professionally administered, publicly transparent underwriting, credit and public policy review. Projects and developers must compete and earn City financial support for the housing developments based on their merits and adherence to published City policies, credit standards and appraisal review processes.
8. Process for preparing and implementing Notices of Funds Availability (NOFAs), Request for Qualifications (RFQs) and Requests for Proposals (RFPs) to select the affordable housing projects and development team members to receive City subsidy consistent with the City's goals, underwriting criteria and due diligence standards. RFPs and RFQs are typically used when the City owns the land and/or buildings to be used for affordable housing developers, while a NOFA process is used to select among sites and projects controlled by developers to receive City funding. Each NOFA or RFP/RFQ should clearly state the City's affordable housing goals, project selection criteria, selection process, and intended execution of Exclusive Negotiating Agreements (ENAs), Development and Disposition Agreements (DDAs), loan and other agreements to secure the City's financial investment.
9. Process and criteria for responding to unsolicited proposals and requests for funding from developers to ensure that affordable housing projects selected through this manner are consistent with the City's goals, strategies, and underwriting criteria.
10. Local review of Low Income Housing Tax Credit (tax credit) projects, even when no City financial subsidy is needed.

The City should institute a housing finance function that is transparent, publicly accountable, consistent, competent and free from political influence or favoritism. This will require standardized underwriting, legal and asset management documents, procedures and reports, including:

- A loan underwriting policies and procedures manual;
- An underwriting model and operating pro forma;

- A lending committee reporting template (for purposes of presenting a proposed loan transaction before a loan committee or the City Council for review and approval);
- Loan transaction documents; and
- Asset management reporting templates.

The development of a substantial and meaningful affordable housing program in Richmond requires that the City communicate to the development community and all stakeholders that it is serious about its affordable housing program, will serve as a long-term funding partner for affordable housing development, and will organize its housing department and functions to effectively and efficiently implement the above required housing functions.

## **2. Collaboration with the Richmond Redevelopment and Housing Authority**

The Richmond Redevelopment and Housing Authority (RRHA) is a vital element in establishing an Affordable Housing Strategy for the City. As a public housing authority (PHA) and a redevelopment agency, RRHA has responsibilities that make it central to affordable housing policy in Richmond. In its PHA role RRHA is the largest single owner of affordable housing in Richmond, with approximately 3,900 public housing units, which provide housing to the poorest of the City's residents. RRHA also administers approximately 3,000 Housing Choice Vouchers, which subsidize the rents of voucher holders leasing units in privately owned rental housing. As part of its redevelopment agency function, RRHA owns over 400 vacant parcels and homes in need of rehabilitation and/or redevelopment, many of which were purchased by the City with ownership subsequently transferred to RRHA.

In addition to the basic responsibilities summarized above, RRHA has a variety of tools and resources (or potential access to resources) that can be deployed to advance the affordable housing goals of both RRHA and the City. For example, RRHA has authority and powers of property acquisition and disposition that are not available to the City and that are key to Richmond's ability to implement an opportunity-driven, real estate market-based Affordable Housing Strategy. Under the Commonwealth of Virginia Housing Authorities Law (Section 36-1 et seq, 1938, as amended), RRHA has broad eminent domain powers, bonding authority

and the ability to incur debt and operate housing as an enterprise for the benefit of low income households.

As a PHA under HUD regulations, RRHA has the authority to convert a portion of its Housing Choice Vouchers to Project Based Vouchers, a potentially important tool for increasing the affordability of new rental developments. In addition, RRHA has access to a variety of HUD programmatic and financial resources, including Choice Neighborhoods, the Rental Assistance Demonstration Program, and the Capital Fund Financing Program, all of which are important tools for neighborhood revitalization, investing in public housing or enabling the conversion of public housing to private ownership. RRHA (or a developer selected by RRHA) also has the ability to apply for 9 Percent Low Income Housing Tax Credits (LIHTC or tax credits) through a pool limited to housing authorities, thereby increasing the potential that projects in Richmond will secure an allocation of very competitive 9 Percent tax credits.

#### **a. Challenges Facing RRHA in Addressing its Core PHA Mission**

RRHA's public housing inventory is aging, with more than 96 percent of units over 30 years of age, and 66 percent over 50 years of age. This public housing stock must be rehabilitated or replaced in order to ensure the ongoing availability of quality affordable housing for the City's poorest residents, and to assure RRHA's public housing assets contribute to neighborhood revitalization and the alleviation of poverty in Richmond.

RRHA has initiated a number of development activities to revitalize the existing public housing inventory and increase or preserve the supply of affordable housing in the City. Key developments include:

- Creighton and Whitcomb Courts, combined with Creighton/Whitcomb Area Revitalization. This revitalization potentially includes redevelopment of such parcels as the former Armstrong High School property near Creighton, the retail parcel at Nine Mile Road and 25th, the former Whitcomb Elementary School complex in Eastview, and the old Juvenile Detention Center property on Mecklenberg St. RRHA has selected Community Builders as the master developer for Creighton and Whitcomb Courts;
- Completion of Highland Grove (formerly Dove Court);
- Completion of the Blackwell/Fulton HOPE VI development; and

- Revitalization of other public housing transformation, including:
  - The three Mosbys
  - Fairfield Court
  - Gilpin Court
  - Hillside Court

#### **b. RRHA Recommendations**

PHA's typically work collaboratively with the local jurisdiction in which they reside as such collaborations can yield financing and other forms of support that will advance the PHA's mission. In the case of RRHA and the City of Richmond, the imperative of collaboration is even greater given RRHA's role as a redevelopment agency, with an unambiguous obligation and Commonwealth statutory mandate to serve the broader interests of the City in this role.

Implementation of a meaningful and successful affordable housing program in the City of Richmond will require the development of a functional and collaborative working relationship between the City and RRHA. This requires functional, collaborative and cooperative working relations among City and RRHA administrative officials, as well as the Mayor, City Council and RRHA Board.

Cooperation between the City Administration and RRHA may in part be affected by the governance structure of the RRHA, under which the RRHA's Board of Commissioners is appointed by the Richmond City Council, while the City's CAO office reports to the Mayor. Under this structure, RRHA has no formal accountability to the City's Administration, and the administrator of City housing programs has limited ability to ensure cooperation. Other PHAs are similarly organized, but many have developed more collaborative, mutually reinforcing relationships with their local cities, in the best cases operating under a common set of citywide goals, policies and coordinated programs to carry out a clearly articulated Affordable Housing Strategy. In such cities, resources are shared, and housing strategies, policies and programs are mutually developed and carried out. The work of other city agencies such as police, planning, economic development, public works, schools and recreation is tightly coordinated with both the PHA and

housing department under a single vision for affordable housing, neighborhood revitalization, alleviation of poverty, and public housing transformation.

Richmond is beginning to address this critical problem through the Transformation Collaborative, and the memorandum of understanding between RRHA and the City regarding the transformation of public housing. The highest priority should be given to this collaboration to assure its rapid success, and its coordination with creation of the Richmond AHTF and Housing Department, as we recommend here.

### **3. Organization of Housing Function at the City**

In order for the City of Richmond to implement a meaningful affordable housing program and to carry out the project and program recommendations of the Affordable Housing Strategy, DRA recommends that the City create a Housing Director position on par in authority with the City's Planning Director and Economic Development Director, under the direction of the Deputy Chief Administrative Officer, and accountable to the Mayor.

A Housing Director with this level of authority is required to ensure coordination with other functional areas within the City, and to effectively administer affordable housing projects and programs. Critical areas of interdepartmental collaboration include planning and zoning (such as zone changes, lot line adjustments, special use permits (SUPs), building/design review and density bonuses) and public works (such as off-site infrastructure improvements necessary for key affordable housing developments and transit-oriented development).

The Housing Director should also serve as the point person for dealing with the public regarding affordable housing projects and programs, to help direct projects through other departments within the City as required. These include planning, zoning, permitting, finance, legal, real estate, public works, RRHA and others. Local stakeholders indicate that it is currently unclear who at the City they should contact to address the needs of their affordable housing projects, that such projects tend to get "lost" in the City, and that it takes too long for their needs to be addressed. One local developer reports that a SUP adds six months to the development process. Another said they add an extra 12 months to the estimated timeframe for development of housing projects in Richmond compared to other Virginia communities such as Roanoke, Newport News and Norfolk. Other developers have stopped working in Richmond altogether.

The functions and activities under the Housing Director will include:

**a. Policy and Advocacy**

The Housing Director should be empowered to carry out the policy and advocacy functions described in Section B.1. above.

**b. Budget and Production Goals**

To maximize the use and coordination of scarce financial resources, the Housing Director should establish housing program budgets and production goals.

**c. Coordination as needed with other departments.**

To effectively administer the City's affordable housing programs and projects, the Housing Director must coordinate well with other departments in the City, in particular:

- Department of Planning and Development Review;
- Public Works Department, including Transportation Engineering Division;
- Real estate services functions in the various department of the City;
- Fire and Public Safety;
- City Attorney's office, particularly in the areas of legal document preparation (as described above) and tax-delinquent parcel sales; and
- Finance, including bond financing.

**d. Coordination with RRHA**

This includes coordinating programs and investment priorities to maximize returns on public investment and advance the goals of the Transformation Collaborative.

**e. Coordination with other agencies**

Successful implementation of a meaningful affordable housing program in the City of Richmond will require close coordination between the City and other agencies, including but not limited to the Virginia Housing Development Agency (VHDA), HUD, other federal agencies, the Federal Home Loan Bank of Atlanta, and others.



The City must continue to foster an excellent relationship with the VHDA. As the agency that allocates the valuable tax credit and tax-exempt bond financing sources, as well as other below-market loan programs, VHDA is a critical partner for affordable housing development in Richmond. To be competitive, applicants need letters of support, and in many cases financial support from the City of Richmond. The Housing Director will enable the City to promote an effective, consistent and lasting relationship with VHDA. The position will also enable the City to support Richmond applicants and, when required, prioritize the projects supported with City funds in a way that best aligns with the City's Affordable Housing Strategy.

**f. Management of Richmond's Affordable Housing Trust Fund, HOME, CDBG and other affordable housing lending and grant programs**

The Housing Director will be responsible for carrying out the various housing finance program functions detailed in Section B.1. above. In this role the Housing Director will be responsible for developing lending policies and ensuring internal compliance with these policies.

**g. Richmond's Point Person for Housing**

In addition to overseeing the affordable housing functions described above, the Housing Director will be responsible for elevating the importance of market-rate housing to meet the full spectrum of housing needs in Richmond. This will include ensuring the City's zoning, planning and urban design documents make adequate provision for housing at alternate densities in the City; encouraging the inclusion of housing in transit-oriented and mixed-use development projects to help make the City a walkable, active and attractive environment; and assisting in, or advising on, developer negotiations on projects that involve a housing component, such as advocating for additional density when and where appropriate in exchange for affordable housing units. This will serve to elevate housing's role as an important element of the City's overall economic development and planning functions.

**h. Neighborhood Revitalization**

The Housing Director will also be closely involved in neighborhood revitalization initiatives in the City. These should include delineation of neighborhood geographic boundaries for areas of high priority for neighborhood revitalization. Successful neighborhood revitalization will require a concentration of scarce City resources in an interdisciplinary effort involving code enforcement, public safety, public facilities, public works, parks and schools to have maximum impact in key

neighborhoods. The selection of priority neighborhoods may be triggered by key investments, such as major economic development initiatives.

#### **4. Staffing**

The Housing Director will require staffing support in carrying out the various functional responsibilities discussed in this memo. The staffing responsibilities described below do not represent discreet fulltime positions. Rather, they represent functional areas of responsibility that, in some instances, could be successfully conducted by a single staff person, while in other instances more than one staff person may be needed. Responsibilities may be assigned to outside contractors. Functional areas of responsibility that are likely to require staff-level support include:

- Loan underwriting and analysis (loan officer/relationship manager). This position will include managing the loan underwriting, loan approval and loan closing process for individual affordable housing loans. On a project-by-project basis this person will serve as a primary point of contact for the housing developer;
- Housing policy coordination. This position will assist the Housing Director on matters related to housing policy; and
- Asset management/portfolio administration. The position will track the performance of housing investments and oversee compliance.

#### **5. Housing Director Qualifications**

The Housing Director will be responsible for overseeing the housing functions described in Section B.1. above. In order to carry out these responsibilities, the Housing Director must have excellent private and public sector qualifications in the areas of:

- Real estate markets and finance (in order to implement market-driven strategies and to respond to, and assess the risks and benefits of, market opportunities);
- Affordable housing finance;
- Property acquisition and disposition;

- Developer negotiations;
- Legal document review and negotiations, including ENAs, DDAs, loan agreements, ground leases, regulatory agreements resale agreements and rent restrictions;
- Expertise with HUD programs, including but not limited to CDBG, HOME, NSP, ESG, public housing, rental vouchers, FHA, as well as other sources of capital such as the Community Reinvestment Act, and the Federal Home Loan Bank Affordable Housing Program; and
- Expertise with Low Income Housing Tax Credits and multifamily private activity tax-exempt bonds .

## C. Program Elements

This section provides a description of specific program elements that can be carried out in Richmond to achieve the goals of the Affordable Housing Strategy, including those that can be acted upon by the City of Richmond and those that require action of the Richmond Redevelopment and Housing Authority.

### 1. RRHA Revitalization

#### a. Role of the RRHA

As the current housing provider to the poorest of Richmond’s residents, the Richmond Redevelopment and Housing Authority is key to achieving the goals of the Affordable Housing Strategy. RRHA must develop and implement a comprehensive strategy that effectively uses all of RRHA’s resources (financial, land and buildings) and maximizes use of available leveraged finance opportunities. The Affordable Housing Strategy should encompass the following elements in a strategic manner that maximizes the use of RRHA’s resources (primarily land and buildings owned), leverage of non-local resources, and the number of households that can be assisted.

#### b. Public Housing Revitalization

RRHA has initiated a number of development activities to revitalize the existing public housing inventory and increase or preserve the supply of affordable housing in the City. Key developments include:

### 1. Creighton and Whitcomb Courts and Creighton/Whitcomb Area Revitalization

RRHA has selected The Community Builders (TCB) as the master developer for Creighton and Whitcomb Courts public housing properties and the revitalization of the surrounding area. This revitalization potentially includes redevelopment of such parcels as the former Armstrong High School property near Creighton, the retail parcel at Nine Mile Road and 25th, the former Whitcomb Elementary School complex in Eastview, and the old Juvenile Detention Center property on Mecklenberg St. The City has been working with TCB and RRHA on a proposed submittal to VHDA in the spring of 2015 for 9 Percent tax credits to redevelop the former Armstrong High School property as affordable housing.

### 2. Completion of Highland Grove (formerly Dove Court)

Redevelopment of the former Dove Court public housing development in Richmond has proceeded with the vision of creating a mixed-income community with a variety of rental and ownership housing types. The former public housing units have been demolished and the Highland Grove apartments have been completed, offering new 1, 2 and 3 bedroom apartments and townhomes. Additional lots slated for the construction of single-family and duplex units remain available for development. Completion of the Highland Grove revitalization is a high priority for the City.

### 3. Completion of the Blackwell/Fulton HOPE VI development

RRHA received a \$26.9 million HOPE VI grant from HUD for revitalization of the Blackwell community, which lies just south of downtown Richmond. The HOPE VI revitalization plan included 650 replacement housing units, including 161 multifamily units in Blackwell, 188 new single-family homes in Blackwell, 120 homeownership units in three other Richmond communities, and 68 apartments on Blackwell's Hull Street. Three- and four-bedroom single-family homes have been made available for purchase by first-time low- and moderate-income families. Additional lots remain vacant and available for development. Completion of the Blackwell revitalization is also a high priority for the City.

#### 4. Other public housing transformation

Other public housing sites targeted for revitalization, along with strategic sites ancillary to public housing and potentially other parcels and other assets, include the following:

- The three Mosbys
- Fairfield Court
- Gilpin Court
- Hillside Court

Strategies for the redevelopment of these sites should be considered based on funding opportunities and strategic initiatives tied to the valuation and use of RRHA's underutilized assets.

#### **c. Disposition and development of RRHA-owned vacant and scattered properties**

In addition to the major sites for redevelopment mentioned above, RRHA owns over 400 vacant parcels and homes in need of rehabilitation and/or redevelopment, many of which were purchased by the City with ownership subsequently transferred to RRHA. In their current condition, these parcels have a blighting influence on the neighborhoods in which they are located. They are also potential assets that can be harnessed to provide affordable housing in the City.

DRA recommends that RRHA develop a strategy for the use of these assets for the development of affordable housing for the citizens of Richmond. This may include development of the sites and/or sale of certain properties to raise funds for other RRHA development activities.

RRHA does not appear to have a program, plan or strategy in place for redeveloping these properties. If RRHA does not promptly develop a disposition and development strategy for these parcels, they should be conveyed back to the City directly or to an entity that is able to promptly craft a viable disposition and redevelopment program for key parcels.

This strategy should consider:

- The suitability of parcels for single-family ownership and/or multifamily development. Most of RRHA's scattered site properties consist of single-family homes or lots. However, larger sites may exist or the consolidation of existing smaller sites into larger ones may be possible in areas that are appropriate for multi-family rental housing. Given the large need for affordable multi-family rental housing in Richmond, the potential for sites suitable for this type of development should be assessed.
- The market potential of the various properties, and the identification of properties in areas where the market supports the development of new housing. Market values are so low in some of Richmond's neighborhoods that huge subsidies would be required to write-down the sales prices to market rates. Others may be in areas where unassisted private development is feasible, or financially assisted development at more reasonable subsidy amounts is viable.
- Maximum revitalization impact. Neighborhood revitalization is maximized when sufficient investment, public and private, is focused on a particular block or in a defined area to have an impact on the market in that neighborhood and spur additional private investment. Therefore, the strategy should consider clustering the development and/or sale of RRHA's scattered site properties to maximize this impact, in conjunction with the market analysis mentioned above. As revitalization occurs in one or several neighborhoods, the City can move on to the revitalization of additional areas. Richmond's "Neighborhoods in Bloom" program is an example of such a focused neighborhood investment program.
- Physical needs assessment. The physical condition of single-family homes should be assessed to determine if rehabilitation is viable or whether the home should be demolished and the vacant lot sold or redeveloped.
- Restrictions on the use of the property, based on the funding sources used to acquire the site. Many of the properties were originally owned by the City of Richmond and transferred to RRHA. These properties generally have minimal restrictions on their future use or sale. Other properties, particularly those purchased with HUD funds, may have more extensive restrictions on their use



and sale. The scattered site revitalization strategy should begin with an assessment of these restrictions through a title search.

#### **d. Use of Project-Based Vouchers**

RRHA also administers approximately 3,000 Housing Choice Vouchers, which subsidize the rents of voucher holders leasing units in privately owned rental. HUD allows up to 20% of a Public Housing Authority's (PHA's) to be project-based, providing a valuable source of income that can be used for the development of new affordable multifamily housing units. RRHA's revitalization strategy should consider the strategic use of project-based vouchers to increase leverage of other funding sources available for multifamily rental development in conjunction with targeted neighborhood revitalization.

## **2. Sale of Tax-Delinquent Parcels**

There are more than 6,000 tax-delinquent parcels in Richmond, many of which have a blighting influence on the neighborhoods in which they are located. Recent state legislation provides new tools the City can use to hasten the disposition of these units for rehabilitation and/or redevelopment.

State of Virginia code Section 58.1-3970.1 authorizes localities to petition the circuit court to appoint a special commissioner to execute the necessary deed or deeds to convey real estate that meets certain requirements to the locality in lieu of the sale at public auction. Special provisions are made for real estate in the Cities of Norfolk, Richmond, Hopewell, Newport News, Petersburg, and Hampton. In order to qualify, parcels in these areas must meet the following requirements:

- The parcel has delinquent real estate taxes or the locality has a lien against the parcel for removal, repair or securing of a building or structure, removal of trash, garbage, refuse, litter or the cutting of grass and weeds.
- For parcels valued at \$50,000 or less, the total of such taxes and liens, including penalty and accumulated interest, must exceed 35% of the assessed value of the parcel or taxes alone must exceed 15% of the assessed value of the parcel.
- For parcels valued at between \$50,000 and \$100,000 that do not contain an occupied dwelling, the total of taxes, liens, penalty and interest must exceed 20% of the assessed value of the parcel or taxes alone must exceed 10% of the

assessed value. For parcels in this category, the locality must enter into an agreement for sale of the parcel to a nonprofit organization to renovate or construct a single-family dwelling on the parcel for sale to persons to reside in the dwelling whose whole income is below the area median income.

Any surplus of funds accruing to a locality as a result of the sale of the parcel after receipt of the deed is payable to the beneficiaries of any liens against the property and to the former owner, his heirs or assigns.

The City of Richmond should take advantage of this legislation to maximize the potential for development of affordable and market-rate housing in Richmond and to spur neighborhood revitalization. The steps to developing and implementing a strategy to use these properties should include:

- Site assessment. The sites should be reviewed with respect to:
  - Title issues, to identify those with relatively clean title and those with numerous owners that will make transfer of title more difficult;
  - Market potential, to identify locations within the City where there is adequate market demand and sufficiently high prices to make rehabilitation or new construction feasible as market-rate housing or with minimal subsidy;
  - Site clusters, to identify locations where multiple tax delinquent parcels exist on the same block or in the same area that can be sold together to maximize their attractiveness to developers and increase their impact on neighborhood revitalization; and
  - Valuation issues, identifying where parcels may be overvalued based on their existing physical condition or location.
- Prioritization of sites and areas based on the site assessment activities above and a strategic dovetailing of this strategy with other housing and neighborhood revitalization activities, such as the RRHA revitalization strategy described above.
- Sales process. The City should develop a process to bring these parcels on the market in an efficient and cost-effective manner, including:

- Developing sales procedures and standard documents for sale of the properties to for-profit or nonprofit developers or individual homebuyers;
- Developing a list of prequalified interested lenders to serve as the City's financial partners in the strategy;
- Developing a list of approved and prequalified contractors, if the homes are to be sold to individual homebuyers, to assure that improvements will be high quality and reasonably priced;
- Arranging first-time homebuyer screening and counseling with existing local agencies already providing these services; and
- Working with local realtors and/or nonprofit agencies to complete the sales to qualified homebuyers, particularly for parcels valued under \$50,000 that must be sold to households at or below AMI.

To the extent the City has available Neighborhood Stabilization Program (NSP) funds, the sale of tax delinquent properties may provide an excellent opportunity to leverage those funds in the creation of affordable homeownership or scattered site rental opportunities.

### **3. New Rental Construction**

The City's Comprehensive Affordable Housing Strategy should involve assisting the construction of new rental housing as the most cost-effective means of providing housing to very low income residents in Richmond, especially when leveraged with Low Income Housing Tax Credits. As reported in Appendix B, Affordability Gap Analysis, with 4 Percent tax credits and tax-exempt bonds the subsidy required for development of a very low income rental unit may be reduced to \$30,000 per unit, and it can be substantially lower if the more competitive 9 Percent tax credits are secured. (Subsidy amounts are higher for some projects, such as supportive housing serving residents earning less than 30% of AMI).

The City should seek to identify and partner with experienced tax credit development partners (for-profit and nonprofit) with the track record, and financial and staff capacity to carry out new rental construction projects. As profiled in Appendix C, Existing Resources for Housing, over the five-year period from 2009 through 2013, there were 14 projects in Richmond that successfully secured allocations of 9 Percent tax credits, resulting in the development of 1,232

affordable units. Another 5 project received allocations of 4 Percent tax credits and tax-exempt bonds, resulting in the creation of another 520 affordable units. The developers of these projects provide potential partners for Richmond, and their performance in these projects can be assessed. However, the City should not limit its assistance to developers that have previously developed tax credit projects in Richmond, as there may be other regional developers that can provide benefit to Richmond's affordable housing program.

If the City and/or RRHA provide financial assistance, or sell property for less than market value, for the development of affordable rental housing, this subsidy assistance will require long-term affordability restrictions on assisted units, in the accordance with the requirements of the funding source. Lending and underwriting protocols described above should be used. If the City has funds available but not a site, it may issue a Notice of Funding Availability to assist projects satisfying minimum affordability, density, construction quality, design and other requirements.

To the extent the City or RRHA have sites available and appropriate for multifamily rental development, the City or RRHA may issue Requests for Qualifications or Requests for Proposals to select qualified, experienced developers with a track record in the type of housing being proposed.

#### **4. Single-Family Acquisition and Rehabilitation**

The City has a track record of using its HOME and CDBG funds to provide financial assistance to nonprofit development partners to acquire and rehabilitate existing single-family homes in Richmond for sale to low income first-time homebuyers. While this program has been influential in the revitalization of certain blocks and areas of the city, in most cases the cost to acquire and rehabilitate these units is substantially in excess of the market values of these homes, resulting in substantial per unit subsidies of \$80,000 to \$100,000 or more.

DRA recommends that single-family acquisition and rehabilitation assistance be used strategically along with other program elements, including RRHA revitalization and tax delinquent parcel disposition, to magnify the impact of these other efforts and stretch Richmond's limited financial resources further to achieve its housing goals.



# Appendix A: Housing Needs and Market Assessment



City of Richmond, Virginia  
November 6, 2014



DAVID PAUL ROSEN & ASSOCIATES  
DEVELOPMENT, FINANCE AND POLICY ADVISORS



## Appendix A: Housing Needs and Market Assessment



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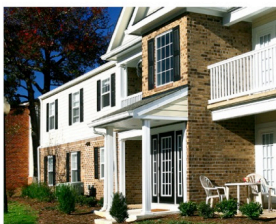
Appendix A1: AREA, Inc. Housing Market Overview and Housing Needs Assessment

Appendix A2:

- Public Housing Inventory
- Inventory of Federally Subsidized Housing Units
- Home Sales Price Tables, Citywide and by Zip Code







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## A. Introduction

The City of Richmond (City) retained David Paul Rosen & Associates (DRA) to prepare a Comprehensive Affordable Housing Strategy and Affordable Housing Trust Fund Study (Strategy) for the City. As part of the Strategy, DRA and its subcontractor, AREA Inc., analyzed available data on demographics, residential market conditions and affordable housing needs in the City of Richmond, as well as several potential target areas for some of the City's affordable housing activities.

This report summarizes the key findings of the market and needs assessment. Additional detail on demographic, market conditions, and affordable housing needs are contained in **Appendix A1** to this report, "Housing Market and Housing Needs Analysis," prepared by AREA, Inc.

**Appendix A2** to this report contains tables detailing the Richmond Redevelopment and Housing Authority's (RRHA's) public housing inventory, other federally assisted housing units in the City of Richmond, and home sales prices citywide and by zip code for the first half of 2014.



## B. Definition of Affordable Housing: Income Levels, Rents and Home Prices

This section summarizes affordable housing income levels, rents and home prices used in the Strategy. More detail on the methodology and assumptions used in calculating affordable rents and sales prices is provided under separate cover in **Appendix B: Affordable Housing Gap Analysis**.

### 1. Target Income Levels

This Strategy uses income limits as commonly defined by the Department of Housing and Urban Development (HUD), the Low Income Housing Tax Credit (LIHTC) Program, and most affordable housing assistance programs. Very low income households are defined as households with incomes less than 50% of Area Median Income (AMI). Low income households are defined as households with incomes between 51% and 80% of AMI. Moderate income households are defined as households with incomes between 81% and 120% of AMI. All of these income limits are adjusted by household size using HUD family size adjustment factors.

**Table 1** shows 2014 very low, low and moderate income limits for the City of Richmond by household size (based on these income category definitions and Richmond's 2014 median household income of \$72,900 for a four-person household). This analysis also looks at 1) a median income category for households between 81% and 100% of AMI; the 60% of AMI category, which is widely used in the LIHTC program; and, 3) the "extremely low" category of 30% of AMI, which is also used by HUD.

<b>Table 1</b>						
<b>Using Income Limits by Percent of Area Median Income (AMI) and Household Size<sup>1</sup></b>						
<b>City of Richmond Housing Affordability Gap Analysis</b>						
<b>2014</b>						
<b>Household Size</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>80% AMI</b>	<b>100% AMI</b>	<b>120% AMI</b>
1 Person	\$15,300	\$25,550	\$30,600	\$40,850	\$51,030	\$61,250
2 Persons	\$17,500	\$29,200	\$35,000	\$46,650	\$58,300	\$70,000
3 Persons	\$19,700	\$32,850	\$39,400	\$52,500	\$65,600	\$78,700
<b>4 Persons</b>	<b>\$21,900</b>	<b>\$36,450</b>	<b>\$43,750</b>	<b>\$58,300</b>	<b>\$72,900</b>	<b>\$87,500</b>
5 Persons	\$23,600	\$39,400	\$47,250	\$63,000	\$78,750	\$94,500
6 Persons	\$25,350	\$42,300	\$50,750	\$67,650	\$84,550	\$101,500

HUD reports very low income (50% AMI) and low income (80% AMI) limits, rounded to \$50. Other income limits calculated based on percent AMI.

## **2. Affordable Rents and Home Prices**

### **a. Affordable Housing Cost Definitions**

Calculation of affordable rents and home prices requires defining affordable housing expense for renters and owners. Affordable housing expense for renters is defined to include rent plus utilities, which is standard for affordable housing programs and practice. For owners, affordable housing expense is defined to include mortgage principal and interest, property taxes and homeowner's insurance. For renters, affordable housing expense is calculated at 30% of household income, the standard of virtually all rental housing programs. For owners, affordable housing expense is calculated at 35%, consistent with many first-time homebuyer programs and lender standards.

### **b. Occupancy Standards**

Because income definitions for affordable housing assistance programs vary by household size, calculation of affordable rents and affordable owner housing costs requires the definition of occupancy standards (the number of persons per unit) for each unit size (by bedroom count). For the purposes of this analysis, affordable housing cost for the multifamily rental prototype is based on an occupancy standard of 1.5 persons per bedroom or, for example, three persons in a two-bedroom unit. This definition is consistent with the most valuable leverage sources for affordable rental housing: the Low Income Housing Tax Credit and tax-exempt bond programs. For the single-family ownership prototypes, affordable housing cost is calculated based on an occupancy standard of one person per bedroom plus one (or four persons in a three-bedroom unit).



**c. Utility Allowances**

Allowable affordable net rents are calculated by subtracting allowances for the utilities paid directly by the tenants from the gross rent (or affordable housing cost).

For purposes of the renter gap analysis, we incorporated utility allowances effective October 1, 2013 from the Richmond Redevelopment and Housing Authority (RRHA). Detail on the utility allowances used is shown in **Appendix B**.

**d. Affordable Rents and Sales Prices**

**Table 2** summarizes affordable monthly net rents by income level and unit bedroom count.

<b>Table 2</b> <b>Affordable Net Rents by Percent AMI and Unit Bedroom Count<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>					
<b>Unit Size</b>	<b>Extremely Low 30% AMI</b>	<b>Very Low 50% AMI</b>	<b>Low 60% AMI</b>	<b>Low 80% AMI</b>	<b>Moderate 100% AMI</b>
1 Bedroom	\$303	\$576	\$713	\$987	\$1,260
2 Bedrooms	\$362	\$690	\$854	\$1,182	\$1,510
3 Bedrooms	\$420	\$799	\$988	\$1,367	\$1,746

U.S. Department of Housing and Urban Development published 2014 very low income limits, adjusted proportionally for percentage of AMI category. Gross rents are calculated assuming an occupancy standard of 1.5 persons per bedroom. Net rents are calculated assuming 30% of gross income spent on rent and then deducting RRHA multifamily apartment utility allowances of \$107 for a one-bedroom unit; \$130 for a two-bedroom unit, and \$149 for a three-bedroom unit.

Source: DRA.

**Table 3** shows affordable home prices by income level and unit bedroom count.

<b>Table 3</b> <b>Affordable Home Prices by Percent of Median Income and</b> <b>Unit Bedroom Count<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>				
<b>Unit Size</b>	<b>Very Low Income 50% AMI</b>	<b>Low Income 80% AMI</b>	<b>Moderate Income 100% AMI</b>	<b>Moderate Income 120% AMI</b>
1 Bedroom	\$116,000	\$192,000	\$243,000	\$294,000
2 Bedrooms	\$132,000	\$217,000	\$275,000	\$332,000
3 Bedrooms	\$148,000	\$243,000	\$306,000	\$370,000
4 Bedrooms	\$160,000	\$263,000	\$332,000	\$400,000

<sup>1</sup>Affordable mortgage principal and interest calculated by deducting the following from affordable owner monthly housing cost: annual property taxes and assessments at 1.2% of affordable home price; and property insurance of \$75 per month. Affordable mortgage calculated assuming 5% owner downpayment, 6.0% mortgage interest rate and 30-year mortgage term. Source: DRA.



## C. Summary of Existing Housing Needs

This section summarizes key measures of affordable housing need in the City of Richmond. More detail on demographics, existing housing needs and market conditions is provided under separate cover in **Appendix A1: Housing Market Overview and Housing Needs Assessment**.

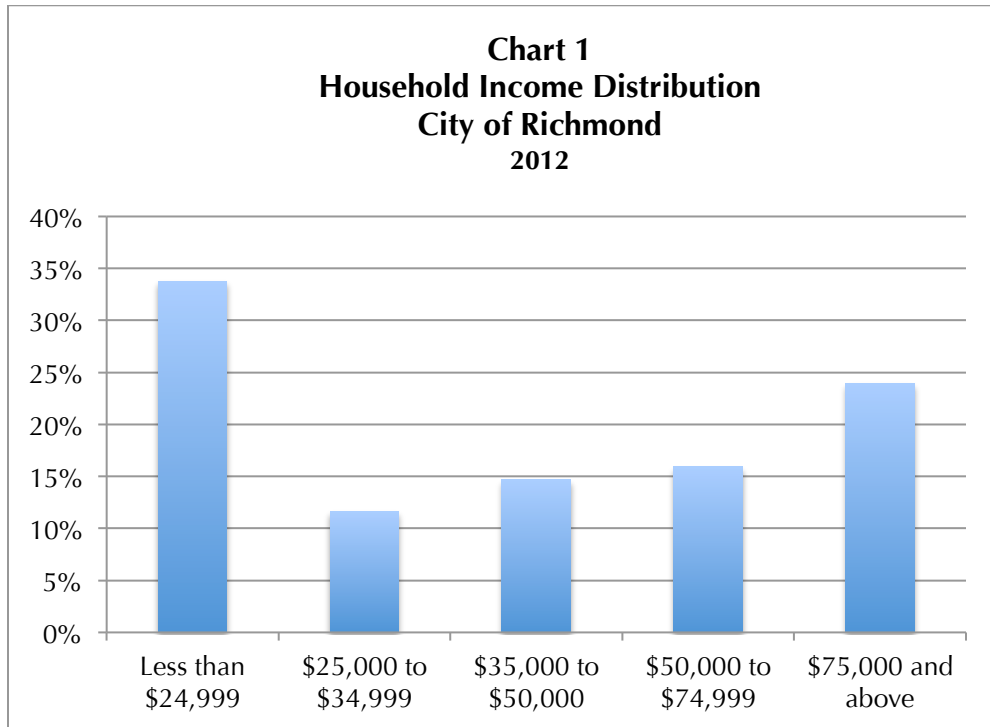
### 1. Household Income Distribution

The need for affordable housing is driven by the household incomes of Richmond households. **Table 4** and **Chart 1** below summarize the income distribution of Richmond households in 2012.

Almost 35% of the City's households earn less than \$24,999 per year, which equals only 34% of the 2014 AMI for the City of Richmond (\$72,900) and supports an affordable rent of only \$500 per month for a two-bedroom unit.

<b>Annual Household Income</b>	<b>Number of Households</b>	<b>Percent of Households</b>	<b>Cumulative Percent</b>
Less than \$15,000	17,177	21%	21%
\$15,000 to \$24,999	10,644	13%	34%
\$25,000 to \$34,999	9,597	11%	45%
\$35,000 to \$49,999	12,102	15%	60%
\$50,000 to \$74,999	13,124	16%	76%
\$75,000 to \$99,999	7,675	9%	85%
\$100,000 to \$149,000	6,274	8%	93%
\$150,000 to \$199,999	2,455	3%	96%
\$200,000 or More	3,320	4%	100%
<b>Total</b>	<b>82,368</b>	<b>100%</b>	<b>--</b>

Sources: ACS 5-Year estimates; DRA.



## 2. Overpayment

According to HUD’s standard, households paying more than 30% of their gross income on housing are considered to be cost-burdened, paying more than they can afford for housing. Households paying greater than this amount have less income remaining for other necessities, such as food, clothing, utilities and health care. The problem is most severe for families with limited incomes.

**Table 5** shows the number of cost-burdened renter and owner households by income level paying more than 30% of gross income on housing, as well as those paying more than 50% of gross income on housing, based on data from the City’s 2013 Consolidated Plan. According to 2009 estimates, a total of 20,589 renter households in Richmond, or 48% of all renters, paid more than 30% of their income on housing. Of these households, 11,109 households, or 26% of all renter households, paid more than 50% of their income on housing, and are considered by HUD to be severely cost-burdened.

There are nearly 8,400 renter households, representing one in five households in Richmond, that earn less than 30% of AMI (or \$21,900 per year for a family of four in 2014) and pay more than 50% of their limited gross income on housing.

Another 2,400 renter households earning between 30% and 50% of AMI (\$36,500 for a family of four) are also severely cost-burdened.

Owner overpayment may be considered a choice, as some households choose to pay a higher percentage of their income for the benefits and security of owning a home. The 30% standard is considered low for owners. Lenders typically allow owners to pay 35% or more of gross income for mortgage principal, interest, taxes and insurance. In 2009, a total of 4,995 owner households, or 13% of all owners in Richmond, paid more than 50% of gross income on housing.

<b>Table 5</b>						
<b>Households Paying More Than 30% and More than 50% of Gross Income on Housing by Income Level<sup>1</sup></b>						
<b>City of Richmond</b>						
<b>2009</b>						
<b>Income Level:</b>	<b>Less than 30% AMI</b>		<b>&gt;30% to 50% AMI</b>		<b>&gt;50% to 80% AMI</b>	
<b>Tenure:</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>
More Than 30% of Income on Housing	10,195	3,275	6,800	2,530	3,594	9,065
% of Total Households <sup>2</sup>	24%	8%	16%	7%	8%	24%
More Than 50% of Income on Housing	8,390	2,595	2,395	1,450	324	950
% of Total Households <sup>2</sup>	20%	7%	6%	4%	1%	2%

<sup>1</sup>Data from the 2005 to 2009 Comprehensive Housing Affordability Strategy (CHAS), as reported in the 2013 Consolidated Plan.

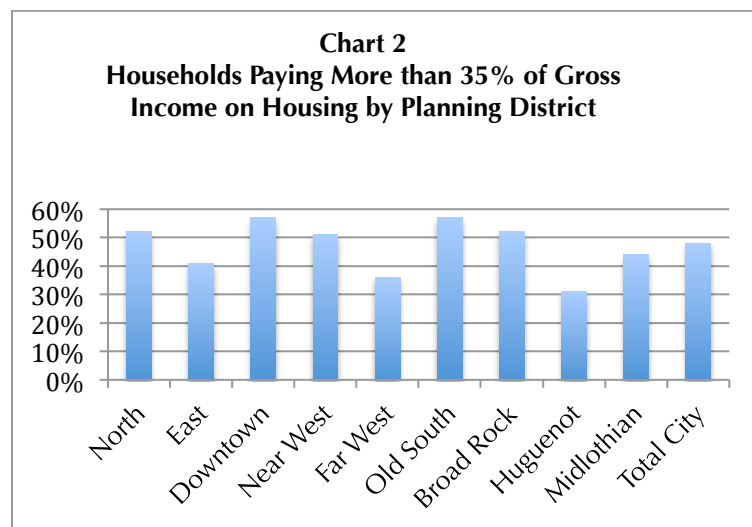
<sup>2</sup>Percent of total renter and owner households based on a total of 42,837 renter households and 38,393 owner households in the City in 2009.

Sources: "FY 2013-2015 Consolidated Plan" City of Richmond, August 1, 2013; DRA.

**Table 6** shows the number and percentage of cost-burdened households paying more than 30% of gross income on housing, and those paying more than 35% of gross income on housing, by Planning District in the City of Richmond. **Chart 2** illustrates the percentage of cost-burdened households paying more than 35% of gross income on rent by Planning District.

Planning District	30% or More		35% or More	
	# of HH	% of Renter HH	# of HH	% of Renter HH
North	4,201	61%	3,589	52%
East	3,491	50%	2,814	41%
Downtown	1,406	71%	1,139	57%
Near West	5,976	62%	4,982	51%
Far West	583	42%	500	36%
Old South	3,407	68%	2,870	57%
Broad Rock	2,458	59%	2,159	52%
Huguenot	541	36%	454	31%
Midlothian	3,828	53%	3,202	44%
Total City	25,891	58%	21,709	48%

Sources: ACS 5-Year estimate; AREA, Inc.; DRA.



### 3. Substandard Housing Conditions

The City of Richmond’s 2013 Consolidated Plan provides estimates of substandard housing units lacking complete plumbing or kitchen facilities. The estimated number of households living in substandard housing by income level in 2009 are shown in **Table 7**. Just 2% of Richmond households live in housing units lacking complete plumbing or kitchen facilities. However, this statistic does not include the many vacant and blighted housing units in Richmond that are in need of major rehabilitation. Data on the number of such units is limited.

<b>Table 7</b> <b>Households Living in Substandard Housing Lacking Complete Plumbing or Kitchen Facilities<sup>1</sup></b> <b>City of Richmond</b> <b>2009</b>						
Income Level:	Less than 30% AMI		>30% to 50% AMI		>50% to 80% AMI	
	Renters	Owners	Renters	Owners	Renters	Owners
Tenure:						
Households Living in Substandard Housing <sup>1</sup>	575	20	115	0	90	60
% of Total Households <sup>2</sup>	1.3%	0.0%	0.3%	0.0%	0.2%	0.2%

<sup>1</sup>Number of households living in substandard housing lacking complete plumbing or kitchen facilities. Data from the 2005 to 2009 Comprehensive Housing Affordability Strategy (CHAS), as reported in the 2013 Consolidated Plan.

<sup>2</sup>Percent of total renter and owner households based on a total of 42,837 renter households and 38,393 owner households in the City in 2009.

Sources: “FY 2013-2015 Consolidated Plan” City of Richmond, August 1, 2013; DRA.

### 4. Overcrowding

HUD defines overcrowding for the purposes of the U.S. Census as more than one person per room, excluding bathrooms and kitchens. Overcrowding is often a symptom of housing unaffordability, as households double up or fit into smaller units to reduce housing costs. As shown in **Table 8**, based on 2009 estimates from the City’s 2013 Consolidated Plan, the incidence of overcrowding in the City was relatively low. A total of 929 very low and low income renter households were overcrowded according to the HUD definition, representing 2.2% of all renter households. Only 155 owner households were overcrowded, representing 0.4% of all owner households in the City. About 164 of these renter households and

40 owner households were severely overcrowded, based on HUD’s standard for severe overcrowding of 1.5 people per room.

It should be noted that there are no federal legal standards for overcrowding. In a reasonable effort to allocate scarce financial resources for affordable housing, housing programs use occupancy standards, which typically allow for up to “two persons per bedroom plus one” to occupy an affordable housing unit (e.g., five persons in a two-bedroom unit).

<b>Income Level:</b>	<b>Less than 30% AMI</b>		<b>&gt;30% to 50% AMI</b>		<b>&gt;50% to 80% AMI</b>	
<b>Tenure:</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>
Single Family Households	405	0	105	80	194	30
Multiple Families or Non-Family Households	80	0	90	10	55	35
Total	485	0	195	90	249	65
% of Total Households <sup>2</sup>	1.1%	0.0%	0.5%	0.2%	0.6%	0.2%

<sup>1</sup>Data from the 2005 to 2009 Comprehensive Housing Affordability Strategy (CHAS), as reported in the 2013 Consolidated Plan.

<sup>2</sup>Percent of total renter and owner households based on a total of 42,837 renter households and 38,393 owner households in the City in 2009.

Sources: “FY 2013-2015 Consolidated Plan” City of Richmond, August 1, 2013; DRA.

## 5. Homeless

The City of Richmond’s 2013 Consolidated Plan contains estimates of the City’s homeless population based on the data collected by Homeward, Inc. in January, 2013. A total of 815 persons in households with only adults experience homelessness on a given night, of which 645, or nearly 80%, receive shelter. All of the approximately 184 persons in households with adults and children experiencing homelessness receive shelter. Veterans account for about 139 of the homeless persons on a given night with shelter and 21 of those without shelter.

## D. Market Rents and Home Prices

This section reviews residential market trends and conditions, and assesses the affordability of existing market-rate housing options in the City.

### 1. Home Prices and Trends

**Table 9** shows median home sales prices, including new and resale homes, in the City of Richmond for the months of December and June over the past five years. These data show that the monthly median home price has fluctuated considerably over this time period. Median prices are typically higher in the spring and summer than in the winter, with June having the peak price in most years. The median sale price for the month of June increased from \$174,000 in 2010, to \$175,000 in 2011 and \$200,000 in 2012, an overall increase of 15% over this three-year period.

In June 2013, the median sale price for homes (new and resale) in the City of Richmond reached a peak of \$219,000. In June 2014, the median sale price was \$215,000, a decrease of 2% over the prior year. Overall, the median sales price increased by 24% between June 2010 and June 2014.

Month	Year	Median Home Price	% Change Over Prior Year <sup>1</sup>
June	2010	\$174,000	--
December	2010	\$160,000	--
June	2011	\$175,000	1%
December	2011	\$155,000	-3%
June	2012	\$200,000	14%
December	2012	\$176,000	14%
June	2013	\$219,000	10%
December	2013	\$162,000	-9%
June	2014	\$215,000	-2%

<sup>1</sup>Compared to same month in prior year.

Source: Long & Foster Real Estate, Inc., based on MLS data.



## 2. Rental Market Trends and Conditions

**Table 10** shows average apartment rents in the City of Richmond for the months of June and December since 2010. As with home prices, average rents are higher in June than December. The average rent for a two-bedroom unit increased less than 0.5% over the entire period from June 2010 to February 2014.

Month	Year	All Units	1 Bedroom Units	2 Bedroom Units	% Increase Over Prior Year All Units <sup>1</sup>
June	2010	\$965	\$741	\$901	--
December	2010	\$886	\$733	\$848	--
June	2011	\$899	\$765	\$897	-7%
December	2011	\$901	\$725	\$834	2%
June	2012	\$953	\$764	\$883	6%
December	2012	\$920	\$759	\$846	2%
June	2013	\$963	\$818	\$935	1%
December	2013	\$937	\$825	\$893	2%
February	2014	\$946	\$800	\$905	--

<sup>1</sup>Compared to same month in prior year.  
Sources: RentJungle.com; DRA.

**Table 11** shows average monthly apartment rents by neighborhood in the City of Richmond. The highest average rent is \$1,176 in Gambles Hill, which is 35% higher than the lowest rent (\$868 in the Broad Rock Industrial District).

<b>Table 11</b> <b>Average Monthly Apartment Rents by Neighborhood</b> <b>City of Richmond</b> <b>2014</b>	
<b>Neighborhood</b>	<b>Average Rent</b>
Gambles Hill	\$1,176
Carver	\$1,130
The Fan	\$1,121
Vou	\$1,068
Monroe Ward	\$1,051
Scott's Addition	\$1,049
The Museum District	\$1,045
The Diamond	\$1,041
McGuire	\$1,021
Carytown	\$1,021
Windsor Farms	\$1,005
Central Office	\$981
Church Hill	\$974
Jackson Ward	\$964
Shockoe Bottom	\$947
Biotech and MCV District	\$929
City Center	\$927
Ginter Park	\$926
Randolph	\$892
Broad Rock Industrial	\$868

Sources: RentJungle.com; DRA.

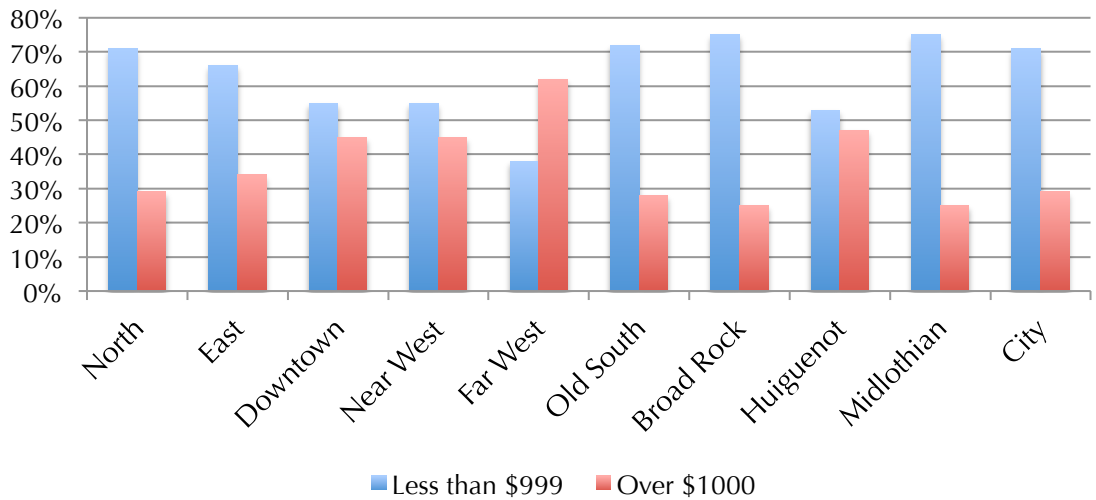
**Table 12** shows the distribution of rental housing units by rent paid and by Planning District in the City of Richmond. The North, East and Old South Planning Districts are the most affordable in the City based on rent paid. **Chart 3** compares the percentage of rental units with rents above and below \$1,000 per month by Planning District.

**Table 12**  
**Distribution of Rental Housing Units by Rent Paid by Planning District**  
**2012**

Rent Paid:	Less than \$500		\$500 to \$749		\$750 to \$999		\$1,000 to \$1499		\$1,500 or More	
	No.	%	No.	%	No.	%	No.	%	No.	%
North	1,321	19%	2,156	31%	1,460	21%	1,252	18%	765	11%
East	1,378	35%	2,248	15%	1,523	16%	1,306	30%	798	4%
Downtown	412	2%	671	12%	455	41%	390	35%	238	10%
Near West	1,895	6%	3,092	18%	2,095	31%	1,796	32%	1,097	13%
Far West	265	2%	432	8%	293	28%	251	47%	153	15%
Old South	978	17%	1,596	24%	1,081	31%	926	24%	566	4%
Broad Rock	807	13%	1,317	21%	892	32%	765	37%	467	10%
Huguenot	290	2%	473	19%	320	32%	275	37%	168	10%
Midlothian	1,390	13%	2,268	21%	1,536	41%	1,317	20%	805	5%
Citywide	8,736	19%	14,253	31%	9,655	21%	8,278	18%	5,057	11%

Sources: ACS 5-Year estimates; AREA, Inc.; DRA.

**Chart 3**  
**Percent of Units with Rents Above and Below \$1,000 Per Month**  
**City of Richmond Planning Districts**  
**2012**



### 3. Comparison of Market and Affordable Rents and Sales Prices

#### a. Comparison of Market and Affordable Rents

**Table 13** compares affordable rents by income level with average market rents in the City. Affordable rents for very low income households are well below average apartment rents and single-family rents. Average apartment rents exceed very low income affordable rents by 39% for a one-bedroom unit and 31% for a two-bedroom unit.

The rent affordable to households at 60% of AM is about 10% below average market rent for one-bedroom units and 5% below market rent for two-bedroom units. Rents affordable to moderate income households substantially exceed average apartment rents.

<b>Table 13</b> <b>Comparison of Average Market and Affordable Rents</b> <b>City of Richmond</b> <b>2014</b>					
	Average Affordable Rent				Average Market Apartment Rent
	Very Low Income 50% AMI	Low Income 60% AMI	Low Income 80% AMI	Moderate Income 100% AMI	
1 Bedroom	\$576	\$713	\$987	\$1,260	\$800
2 Bedroom	\$690	\$854	\$1,182	\$1,510	\$905
3 Bedroom	\$799	\$988	\$1,367	\$1,746	N/A

Sources: RentJungle.com; DRA.

**Table 14** presents the distribution of rental housing units by the amount of rent paid, and shows the income categories to which those units are affordable.

<b>Table 14</b> <b>Distribution of Rental Housing Units by Rent Paid</b> <b>City of Richmond</b> <b>2012</b>					
<b>Monthly Rent Category</b>	<b>Affordable to:</b>	<b>Number of Units</b>	<b>Percent of Units</b>	<b>Cumulative Units</b>	<b>Cumulative Percent</b>
Less than \$500	Very Low	6,897	15%	6,897	15%
\$500 to \$749	Very Low	9,196	20%	16,093	35%
\$750 to \$999	Very Low/Low	13,794	30%	29,886	65%
\$1,000 to \$1,499	Low/Moderate	12,414	27%	42,301	92%
\$1,500 or More	Moderate+	3,678	8%	45,979	100%
<b>Total</b>		<b>45,979</b>	<b>100%</b>		

Sources: ACS 5-Year estimates; DRA.

**b. Comparison of Market and Affordable Sales Prices**

**Table 15** compares affordable home sales prices with the price distribution of all home sales in the City, in the first five months of 2014. Approximately 42% of three-bedroom homes sold in 2014 were affordable to very low income households. About 64% of three-bedroom homes were sold at prices affordable to low-income households, while 80% of them are affordable to moderate income households at 100% of AMI.

<b>Table 15</b> <b>Affordability of Existing Home Sales<sup>1</sup></b> <b>City of Richmond</b> <b>January 1, 2014 Through May 30, 2014</b>						
<b>Unit Bedroom Count</b>	<b>Very Low Income 50% AMI</b>		<b>Low Income 80% AMI</b>		<b>Moderate Income 100% AMI</b>	
	<b>Affordable Sales Price</b>	<b>% of Sales Below Afford. Price<sup>2</sup></b>	<b>Affordable Sales Price</b>	<b>% of Sales Below Afford. Price<sup>2</sup></b>	<b>Affordable Sales Price</b>	<b>% of Sales Below Afford. Price<sup>2</sup></b>
2 BR	\$132,000	77%	\$217,000	84%	\$275,000	90%
3 BR	\$148,000	42%	\$243,000	64%	\$306,000	80%
4 BR	\$160,000	26%	\$263,000	42%	\$332,000	52%

<sup>1</sup>Based on price distribution of home sales by unit bedroom count in the City of Richmond for January 1, 2014 through June 30, 2014. Based on sales data for 49 two-bedroom units, 147 three-bedroom units and 62 four-bedroom units.

<sup>2</sup>Equals estimated percent of total home sales by unit bedroom count sold at or below affordable price. Percentages by income level are cumulative.

Sources: Dataquick Information Systems; DRA.

## E. Target Area Market Conditions

City of Richmond staff has identified two target areas for potential affordable housing programs and activities. In this section, DRA compares demographic and market conditions in the following two potential target areas for the Strategy with conditions citywide:

**Highland Grove:** The Highland Grove Target Area is defined by 4th Avenue and N. 5th Street on the east side. E. Hill Street and Hospital Street bound the south. North Avenue and St. James Street form the west edge. The north border is loosely defined by E. Hooper Street, Fourquaren Lane, and Victor Street. The edge of Hotchkiss Park defines the northernmost edge. (See **Map 1**). This target area is located in zip code 23222 and in the North Planning District.

**Southside:** The Southside Target Area is defined by Commerce Road on the east side. N. Hopkins Road and Hardwood Street bound the south. Holly Springs Avenue forms the southwest edge and Hull Street is the northwest. The north border is a straight line drawn from the corner of Hull and E 27th Street on the northwest corner to Commerce and Gordon Avenue on the northeast corner. (See **Map 2**). This target area is located in zip code 23224 and in the Old South Planning District

This section compares selected citywide demographic and market trends with those of the target areas, with respect to selected demographic and economic conditions and existing home sales prices.



## 1. Household Income Distribution

**Table 16** compares the household income distribution and median income of the City of Richmond with the North and Old South Planning Districts, which contain the Highland Grove and Southside target areas, respectively. Both the North and Old South Planning Districts have a greater concentration of lower income households than the City as a whole.

<b>Table 16</b>						
<b>Household Income Distribution</b>						
<b>City of Richmond and Target Area Planning Districts</b>						
<b>2012</b>						
	<b>City of Richmond</b>		<b>North Planning District<sup>1</sup></b>		<b>Old South Planning District<sup>2</sup></b>	
	<b># of HH</b>	<b>% of HH</b>	<b># of HH</b>	<b>% of HH</b>	<b># of HH</b>	<b>% of HH</b>
Less than \$15,000	17,177	21%	3,117	25%	2,075	25%
\$15,000 to \$24,999	10,644	13%	1,726	13%	1,221	15%
\$25,000 to \$34,999	9,957	12%	1,701	13%	1,094	13%
\$35,000 to \$49,999	12,102	15%	1,975	15%	1,320	16%
\$50,000 to \$74,999	13,124	16%	1,900	14%	873	11%
\$75,000 to \$99,999	7,675	9%	1,297	10%	625	8%
\$100,000 to \$149,000	6,274	8%	956	7%	637	8%
\$150,000 to \$199,999	2,455	3%	270	2%	233	3%
\$200,000 or More	3,320	4%	309	2%	90	1%
<b>Total</b>	<b>82,368</b>	<b>100%</b>	<b>13,250</b>	<b>100%</b>	<b>8,168</b>	<b>100%</b>
<b>Median Income</b>	<b>\$41,148</b>		<b>\$37,631</b>		<b>\$35,442</b>	

<sup>1</sup>Includes Highland Grove Target Area

<sup>2</sup>Includes Southside Target Area

Sources: Dataquick Information Systems; DRA.

## 2. Cost-Burdened Renter Household

**Table 17** below compares the number and percentage of cost-burdened renter households for the City of Richmond within the North and Old South Planning District. Both Planning Districts have a higher incidence of cost-burdened households than the City as a whole, at both the 30% of income and 35% of income thresholds.

<b>Table 17</b> <b>Cost-Burdened Renter Households</b> <b>City of Richmond and Target Area Planning Districts</b> <b>2012</b>						
<b>% of Income Spent on Housing</b>	<b>City of Richmond</b>		<b>North Planning District<sup>1</sup></b>		<b>Old South Planning District<sup>2</sup></b>	
	<b># of HH</b>	<b>% of HH</b>	<b># of HH</b>	<b>% of HH</b>	<b># of HH</b>	<b>% of HH</b>
More than 30%	25,891	58%	4,201	61%	3,407	68%
More than 35%	21,709	48%	3,589	52%	2,870	57%
<b>Median Household Income</b>	\$41,148		\$37,631		\$35,442	

<sup>1</sup>Includes Highland Grove Target Area

<sup>2</sup>Includes Southside Target Area

Sources: ACS 5-Year estimates; DRA.

### 3. Single-Family Home Sales Prices

**Table 18** summarizes the prices and characteristics of existing single-family homes in the City of Richmond, compared to zip codes 23222 and 23224, containing the Highland Grove and Southside Target Areas, respectively. None of the sales in the 23222 zip code were located within or near the Highland Grove Target Area boundaries. Overall, sales in this zip code, which were concentrated to the south and west of the Target Area, showed higher prices and larger units than for the City as a whole.

Home prices within the 23224 zip code were substantially below citywide medians, and the homes were smaller. The median sales price in the 23224 zip code of \$45,000 was only 25% of the citywide median price, and the median home size was about three-quarters of the citywide median size. There were 16 sales within the boundaries of the Southside Target Area. Sales prices in this Target Area were even lower than for the zip code as a whole, with a median price of only \$25,650, or only 14% of the citywide median price.

	City of Richmond	Zip Code 23222 <sup>1</sup>	Zip Code 23224 <sup>2</sup>	
			Total Zip Code	Southside Target Area
Average Sales Price	\$252,300	\$316,426	\$49,971	\$43,426
Median Sales Price				
2 Bedroom Units	\$49,000	\$117,000	\$29,000	\$21,500
3 Bedroom Units	\$177,000	\$261,300	\$55,000	\$50,000
4 Bedroom Units	\$325,000	\$407,000	\$42,000	\$10,000
All Units	\$180,000	\$255,000	\$45,000	\$25,650
Median Square Feet	1,474	1,753	1,134	1,107
Median Price/Sq. Ft.	\$130	\$151	\$39	\$23
Number of Sales	266	82	89	16

<sup>1</sup>Includes Highland Grove Target Area

<sup>2</sup>Includes Southside Target Area

Sources: Dataquick Information Systems; DRA.

# Highland Grove Target Area





# Southside Target Area





# Appendix A1





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**HOUSING MARKET OVERVIEW AND  
HOUSING NEEDS ASSESSMENT  
CITY OF RICHMOND, VIRGINIA**

**SEPTEMBER 4, 2014**

**PREPARED FOR:  
DAVID PAUL ROSEN & ASSOCIATES AND  
CITY OF RICHMOND**

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AREA file #2307



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## SECTION I.

### INTRODUCTION

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The City of Richmond retained David Paul Rosen & Associates (DRA) and its subcontractor, Applied Real Estate Analysis (AREA), Inc., to prepare a Comprehensive Affordable Housing Strategy and provide Affordable Housing Trust Fund Advisory Services for the City. As part of that analysis AREA examined demographic, socioeconomic, and housing characteristics and trends in the city that affect housing needs and local housing market conditions.

#### RICHMOND AND ITS SUBMARKETS

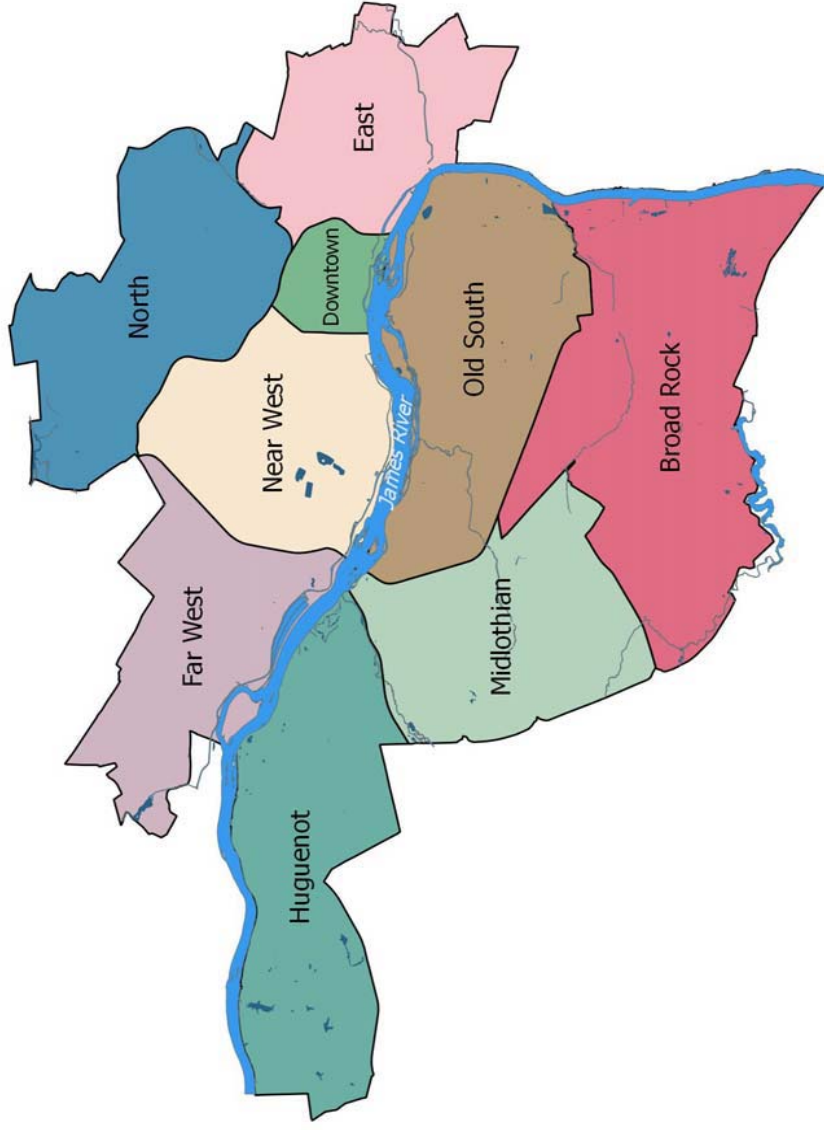
This report discusses the demographic and housing market characteristics of Richmond and its nine submarket areas, which are coterminous with Planning Districts as defined by the Richmond Department of Community Development. The report describes changes in the overall city and its submarkets between 2000 and 2010 as well as 2010 and 2012.

Historically, Richmond was roughly organized into quadrants, with the North Side, East End, and West End being north of the James River, and the South Side falling to the south of the James River. Originally, the urban area south of the river was the separate City of Manchester, which was annexed to Richmond in the 1910s. Each of Richmond's nine submarket areas is located within the four city quadrants. As shown on the following map, the submarkets are:

- Downtown, which occupies an area on the north bank of the James River and holds the seats of both local and state governments.
- East
- North
- Near West
- Old South
- Broad Rock
- Midlothian
- Huguenot
- Far West

The East, North, and Near West areas surround Downtown and have names based on their geographic relationship to Downtown. Old South, located along the south bank of the James River across from downtown, began as the city of Manchester.

**MAP 1.  
RICHMOND SUBMARKET AREAS/PLANNING DISTRICTS**



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## SECTION II.

# SOCIOECONOMIC CHARACTERISTICS AND TRENDS

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### POPULATION AND HOUSEHOLDS

The Richmond metropolitan area has grown substantially in recent years. Between 2010 and 2013 alone, the metropolitan area added nearly 38,000 people. Within the growing region and metropolitan area, the city of Richmond has experienced more modest population change. Overall, the City of Richmond grew slightly from 2000 to 2010, and again from 2010 to 2012. As of 2012, the population of the city of Richmond was estimated to be around 205,300, according to the American Community Survey (ACS). This followed two years of slow growth from a total population of 204,214 in 2010, or an estimated increase of less than 1 percent. However, this is compared to the growth and contraction of the population over the 2000s before and after the recession, which began in 2008. Over the entire period from 2000 to 2010, Richmond's population grew by about 3 percent, from 197,790 to 204,214<sup>1</sup>.

---

**TABLE 1.**  
**POPULATION AND HOUSEHOLD TRENDS: CITY OF RICHMOND**

	2000	2010	CHANGE 2000 TO 2010		2012	CHANGE 2010 TO 2012	
			NUMBER	%		NUMBER	%
Population	197,790	204,214	6,424	3%	205,348	1,134	1%
Households	84,549	87,151	2,602	3%	83,775	(3,376)	(4%)

Source: U.S. Census 2000 and 2010; ACS 5-Year Estimate, 2012.

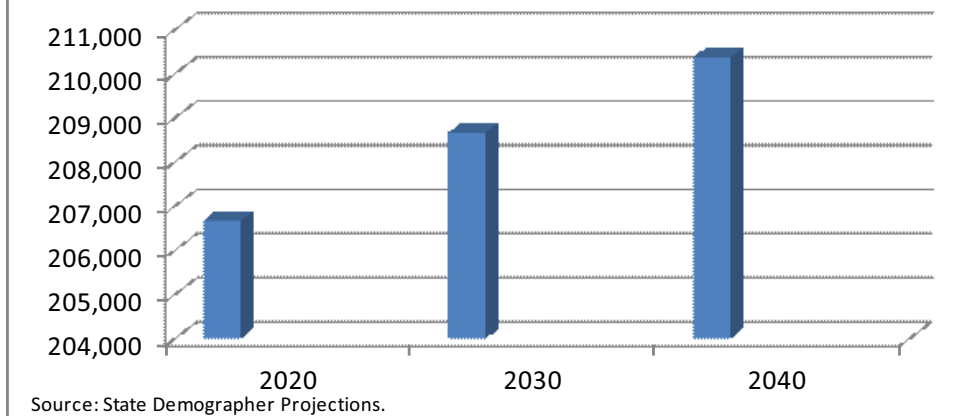
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Richmond is predicted to continue to grow slowly but steadily over the next few decades, according to the State Demographer's Projections. As shown in the following chart, by 2020 the city's population is expected to reach 206,674.

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<sup>1</sup>Note: The American Community Survey (ACS) is based on a sample and has slightly different 2010 totals than the 2010 U.S. Census for population and household as well as other demographic characteristics.

**Chart 1. Population Projections  
City of Richmond**

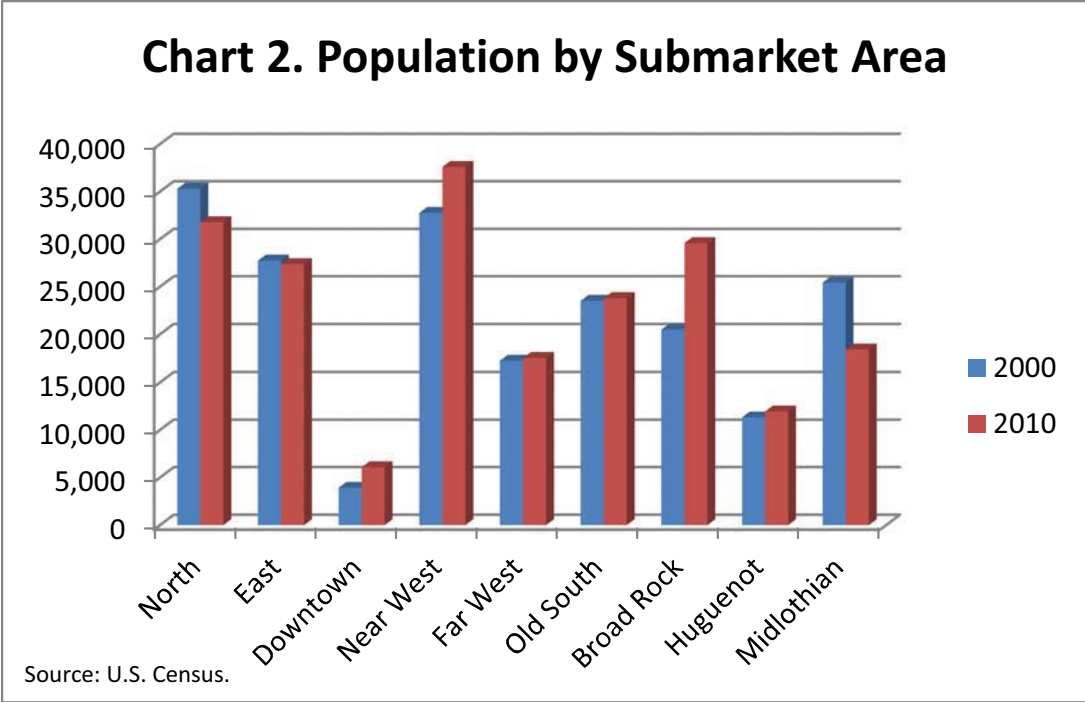


Richmond's overall change in households increased at about the same rate as the city's population growth. Between 2000 and 2010, total households increased by about 3 percent, to 87,151. An apparent decline in the number of households in the city between 2010 and 2012 is probably explained by a sampling error in the ACS five-year estimate. Based on ACS five-year estimates for both 2010 and 2012, the city's households increased by just under 300, or less than 1 percent.

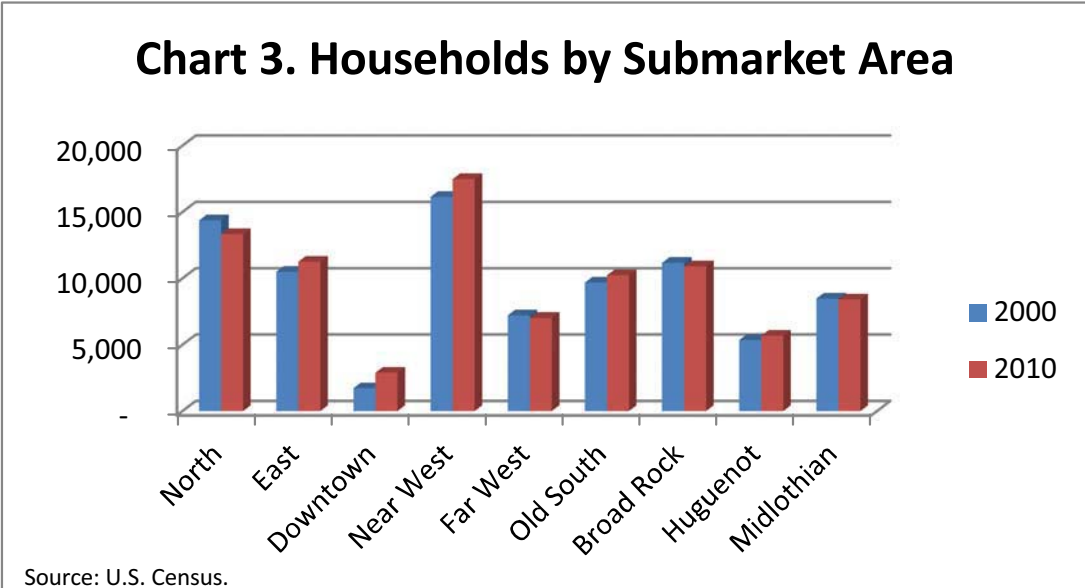
Changes in population among the nine defined submarket areas were more varied between 2000 and 2012 than the city as a whole. (See Appendix Tables A-1 through A-4.) Three areas—Downtown, Near West, and Broad Rock—experienced relatively significant population gains between 2000 and 2010, and again between 2010 and 2012.

At Richmond's center, Downtown saw a 55 percent population increase between 2000 and 2010, which was complemented by a significant gain (69 percent) in households. The vast majority of Downtown units are renter occupied. Of heads of households living in the Downtown area, 34 percent were under the age of 25, and 40 percent were between 24 and 44, according to ACS estimates. However, between 2010 and 2012 there was a slight increase in householders over 65. Even though the Downtown area represented only 3 percent of Richmond's population in 2012, the area made significant gains independently during the 2000s attracting additional residents.

The Near West submarket area, which includes several neighborhoods immediately west of Downtown, also grew significantly between 2000 and 2012, attracting new residents and drawing the majority (43 percent in 2012) of the city's under-25 householder age group. Between 2000 and 2010, Near West grew steadily by 15 percent, from 32,764 to 37,596. By 2010, Near West represented nearly 18 percent of Richmond's population, which was a larger portion than any of the other eight submarkets. Similarly, Near West accounted for 20 percent of Richmond's households, which increased by 8 percent, from 16,128 in 2000 to 17,476 in 2010.



In addition to areas near Richmond’s urban center, the submarket area of Broad Rock also saw population growth between 2000 and 2010. The area’s population expanded by 9,090 (44 percent), which was the largest absolute gain in population among the nine submarkets. In addition, Broad Rock was estimated to have continued to grow through 2012 to around 31,700, from 30,541 in 2010. At the same time that Broad Rock’s population increased by 11 percent, the submarket actually lost some households. However, unlike areas nearer Downtown, Broad Rock’s household heads under age 25 declined by around 30 percent, representing only about 9 percent of the area’s householder population to begin with. The majority of the population, householder heads aged 25 to 44 and 45 to 64, increased slightly between 2010 and 2012.



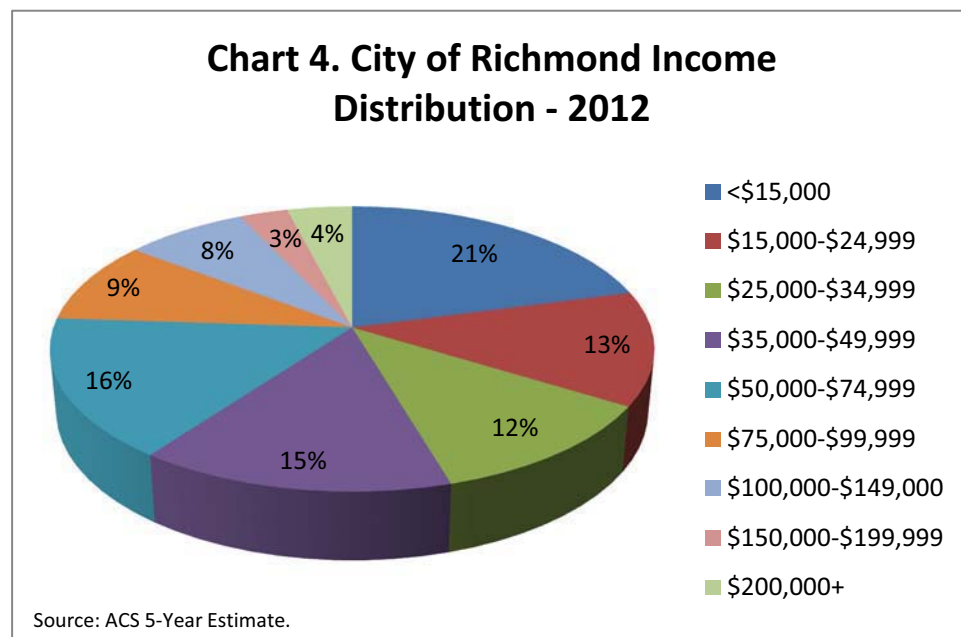


Though much of Richmond’s growth can be attributed to residents entering the housing market in and around the Downtown area, other areas, such as Broad Rock and Huguenot, also attracted residents. Areas around Downtown such as the North and East saw slight declines in population or remained steady between 2000 and 2010. East’s population remained nearly the same between 2000 and 2010, but total households expanded by 762, or 7 percent, representing 13 percent of Richmond’s total households in 2010.

Away from Downtown, on the southwestern end of Richmond, the Midlothian submarket lost 6,976, or 27 percent, of its population between 2000 and 2010 and continued to lose population through 2012. At the same time, there was a slight loss of Midlothian’s households. In terms of age distribution of household heads, the area mirrors the distribution of the city’s householder age groups, with the majority aged between 25 and 44 years.

### HOUSEHOLD INCOME

Median household income in the city of Richmond increased slightly in recent years, from \$40,569 in 2010 to \$41,148 in 2012, according to the ACS. As shown in the following graph, in 2012, approximately 21 percent of the households in Richmond had annual incomes below \$15,000. The submarket area with the highest median income in both 2010 and 2012 is Far West—\$87,941 and \$97,258 in 2010 and 2012, respectively. Downtown had the lowest median income, which slightly declined, from \$27,744 in 2010 to \$27,135 in 2012. (The Appendix contains more detailed household income tables for the city of Richmond and the submarkets.)



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**Table 2.**  
**Median Income: 2010-2012**

	2010	2012	% Change
<b>Richmond Total</b>	<b>\$40,568.65</b>	<b>\$41,147.95</b>	<b>1%</b>
North	\$37,314.64	\$37,631.42	1%
East	\$29,146.37	\$29,505.71	1%
Downtown	\$27,743.65	\$27,134.68	-2%
Near West	\$39,982.73	\$40,168.98	0%
Far West	\$87,941.37	\$97,257.72	11%
Old South	\$36,158.85	\$35,442.46	-2%
Broad Rock	\$36,688.63	\$38,222.37	4%
Huguenot	\$70,573.08	\$68,556.66	-3%
Midlothian	\$43,111.58	\$42,378.22	-2%

Source: ACS 5-Year Estimate.

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## SECTION III.

### HOUSING SUPPLY CHARACTERISTICS AND TRENDS

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#### HOUSING STOCK CHARACTERISTICS

The total housing stock in the city of Richmond has grown in recent years. Between 2000 and 2010, the total number of housing units increased by slightly more than 6,000. In recent years, the total number of units increased again by nearly one thousand units between 2010 and 2012 to 98,318 units, according to the ACS five-year estimate.

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**Table 3.**  
**Housing Occupancy Characteristics: City of Richmond**

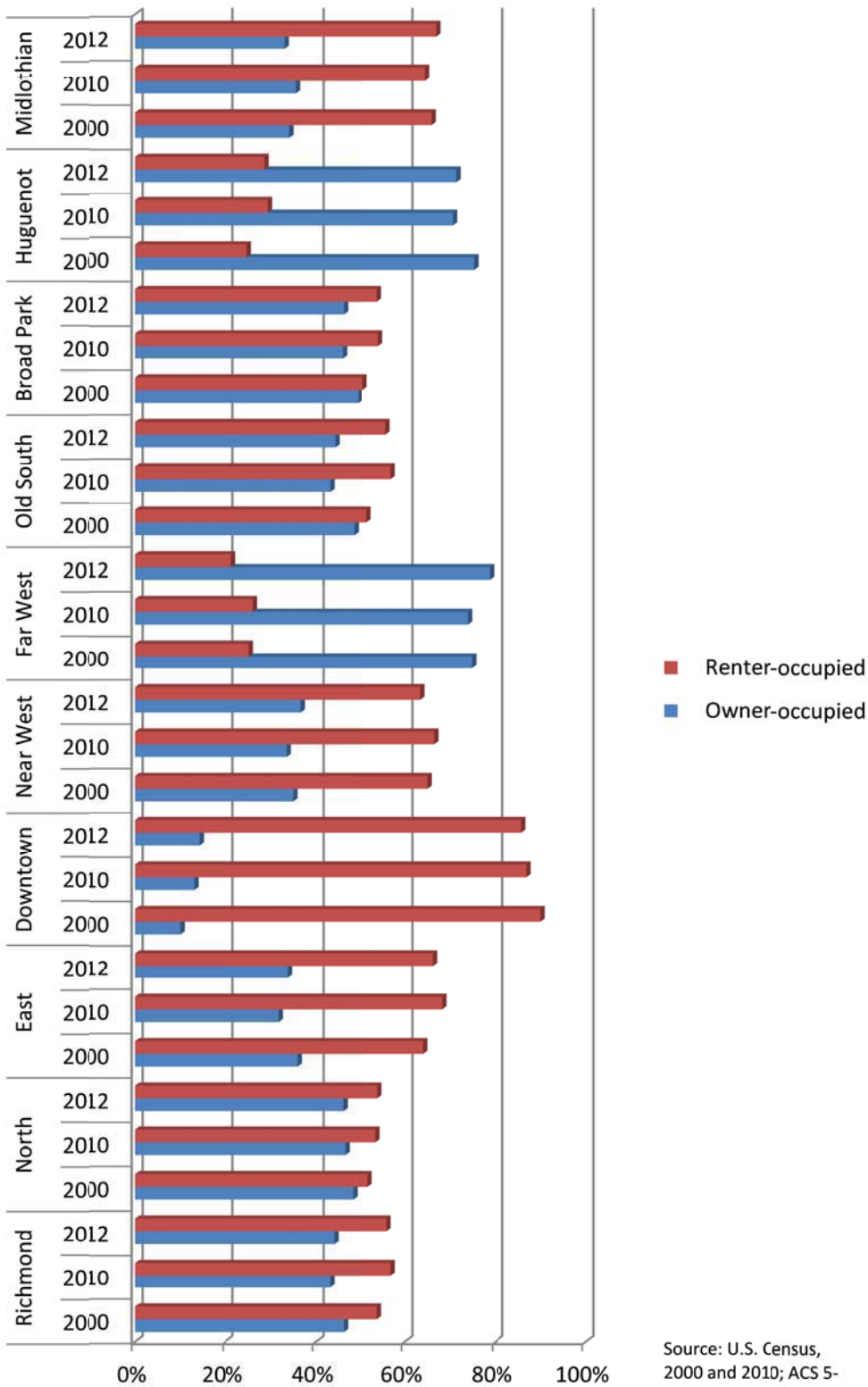
	2010	2012	Change 2010 to 2012	
			Number	%
Total housing units	97,325	98,318	993	1%
Occupied housing units	83,498	83,775	277	0%
Owner-occupied	37,507	36,905	-602	-2%
Renter-occupied	45,991	46,870	879	2%
Average household size of owner-occupied unit	2.30	2.33		
Average household size of renter-occupied unit	2.29	2.32		
Vacant housing units	13,827	14,543	716	5%
Homeowner vacancy rate	4%	4%		
Rental vacancy rate	7%	9%		

*Source:* ACS 5-Year Estimate.

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Housing tenure in the city has changed slightly in recent years. Like most sections of the country, following the economic downturn in 2007 to 2008, the percentage of units that are owner occupied declined somewhat, from 46 percent in 2000 to 43 percent in 2010, according to the U.S. Census. By 2012, the ACS indicates that the percentage of units that are owner occupied was about 44 percent. The average household size for renters versus owner occupants was only slightly different in 2012, at 2.32 persons for renters and 2.33 persons for owner occupants.

**Chart 5. Housing Tenure by Submarket AREA**



Source: U.S. Census, 2000 and 2010; ACS 5-Year Estimate, 2012.

As shown in Chart 5, housing tenure varied in Richmond’s submarkets. Downtown, East, Near West, and Midlothian had substantial rental households, while the Far West and Huguenot were largely owner occupied. North, Broad Park, and Old South were closer to the average distribution for the city.

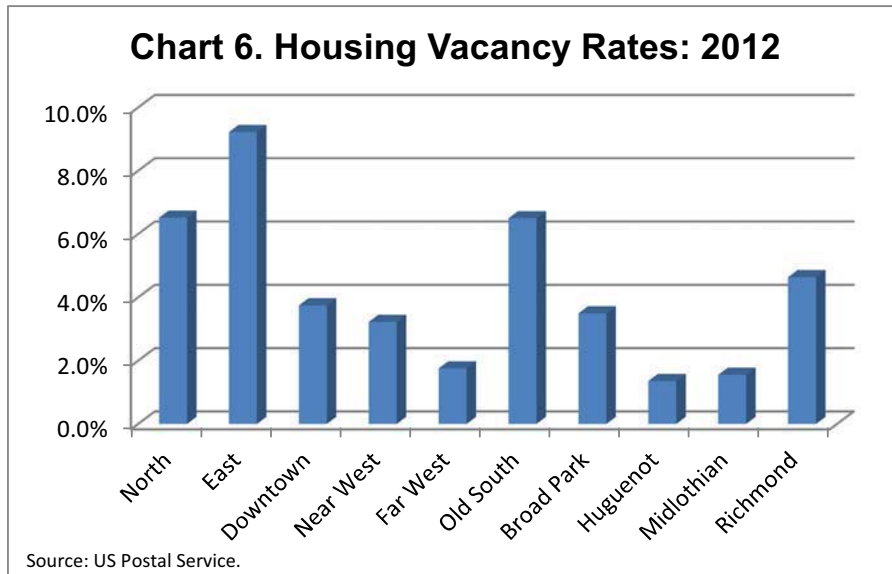
In 2010, the vacancy rate for units available for rent in the city of Richmond was 11 percent, plus an additional 1 percent that were rented by not yet occupied. The vacancy rate for units available for sale was substantially lower, at 5 percent, plus an additional 1 percent that were sold but not occupied. The vacancy rate for rental units was highest in Broad Rock, at 16 percent, and lowest in Near West and Midlothian—both at 7 percent. Downtown and East each had high vacancies of 14 percent among units available for sale, while Far West, Huguenot, and Midlothian had low vacancies of 3 percent for housing for sale.

**Table 4.**  
**Housing Vacancy Rates, 2010**

	Vacant For Rent	Vacant For Rent, Not Occupied	Vacant For Sale	Vacant Sold, Not Occupied
North	12%	1%	5%	1%
East	11%	1%	14%	2%
Downtown	13%	0%	14%	1%
Near West	7%	0%	4%	1%
Far West	8%	1%	3%	1%
Old South	14%	1%	5%	1%
Broad Rock	16%	1%	4%	1%
Huguenot	10%	1%	3%	1%
Midlothian	7%	1%	3%	0%
Richmond -- Total	11%	1%	5%	1%

Source: U.S. Census, 2010.

The U.S. Department of Housing and Urban Development receives aggregated quarterly data from the U.S. Postal Service on addresses identified by the USPS as vacant. Based on data for the end of 2012, the overall housing vacancy rate for the city of Richmond was 4.6 percent. The highest vacancy rate occurred Downtown, where the rate was over 9 percent, and the lowest rate was in Huguenot, at just 1.4 percent. In the housing industry, a vacancy rate of 3 percent is considered adequate to permit normal household mobility without indicating an imbalance in the housing market.



## NEW CONSTRUCTION ACTIVITY

Based on data reported to the U.S. Census, new construction activity in the city of Richmond was fairly limited from 2000 to 2010, totaling only 423 units in 405 buildings. Unfortunately, this data appears suspect, given that the city added over 6,000 housing units between 2000 and 2010, according to other U.S. Census reports. Assuming that the *Census C40 Reports* are accurate, the majority of units (97 percent) for which permits were recorded were single-family structures. Construction activity averaged only 36 units per year over the 11-year period. Activity for the number of building permits issued increased between 2010 and 2013, due largely to nine multifamily buildings that received permits in 2012, for a total of 619 units. Because of this construction permit activity, single-family homes accounted for only 70 percent of buildings and 17 percent of units after 2010.

**Table 5.**  
**City of Richmond Building Permit Activity: 2000 to 2013**

	Total 2000 to 2010		Average Annual		Total 2010 to 2013		Average Annual	
	Buildings	Units	Buildings	Units	Buildings	Units	Buildings	Units
Single Family	391	391	36	36	151	151	50	50
Two Family	12	24	1	2	51	102	17	34
Three and Four Family	1	3	0	0	4	16	1	5
Five or More Family	1	5	0	0	9	619	3	206
Total	405	423	37	38	215	888	72	296

Source: U.S. Census, C40 Reports.

Data compiled by the City of Richmond indicate a higher level of new residential construction activity. As shown in the following table, between May 2013 and May 2014 alone, the City approved new construction permits for 169 buildings, containing 891 units.

Of these units, approximately 68 percent were in buildings containing three or more units, 15 percent were single-family structures, and 5 percent were two-unit structures.

**Table 6.**  
**City of Richmond Building Permit Activity**

May 2013 to May 2014

	Buildings	Units
Single Family	137	137
Two Family	22	44
Three or More Units	8	606
Mixed Use Buildings	2	104
Total	169	891

Source: City of Richmond.

## HOUSING PRICES AND RENTS

In 2012, the median gross monthly rent for the city of Richmond was \$863, based on the ACS. Approximately 15 percent of the city's households had gross monthly rents below \$500, about half of them had rents between \$500 and \$999, and 35 percent had rents of \$1,000 or more, including only 8 percent with rents of \$1,500 or more.

Submarket areas with the smallest percentage of rents below \$500 were Downtown, Far West, and Huguenot. The area with the highest percentage of rents below \$500 was East, with 35 percent of its households paying gross monthly rents of less than \$500. In contrast, Far West had the largest percentage of units, with gross rents of \$1,000 or more.

**Table 7.**  
**Gross Monthly Rent by Submarket Area: 2012**

	North	East	Downtown	Near West	Far West	Old South	Broad Rock	Huguenot	Midlothian	RICHMOND
Occupied units										
paying rent	6954	7253	2166	9975	1393	5147	4249	1526	7316	45,979
Less than \$500	19%	35%	2%	6%	2%	17%	13%	2%	12%	15%
\$500 to \$749	31%	15%	12%	18%	8%	24%	21%	19%	21%	20%
\$750 to \$999	22%	16%	41%	31%	28%	31%	41%	32%	41%	30%
\$1,000 to \$1,499	18%	30%	35%	32%	47%	24%	23%	37%	20%	27%
\$1,500 or more	11%	4%	10%	13%	15%	4%	2%	10%	5%	8%
Median										\$863
No rent paid	194	56	20	154	41	189	99	58	80	891

Source: ACS 5-Year Estimate.



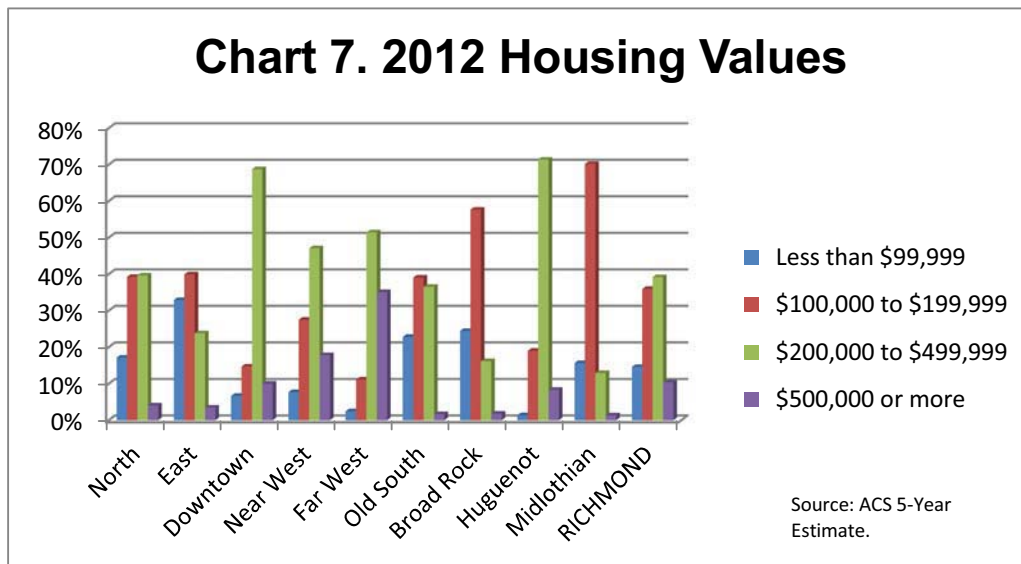
Based on data compiled by Zillow, the median rent for the city of Richmond ranged from \$799 in 2010 to \$924 in 2013. The median rent per square foot of space ranged from \$0.67 to \$0.82 for that time period.

**Table 8.**  
**End of Year Median Rent - City of Richmond**

	2010	2011	2012	2013
Median Per Sq.Ft.	\$0.67	\$0.77	\$0.80	\$0.82
Median Rent	\$799	\$800	\$895	\$924

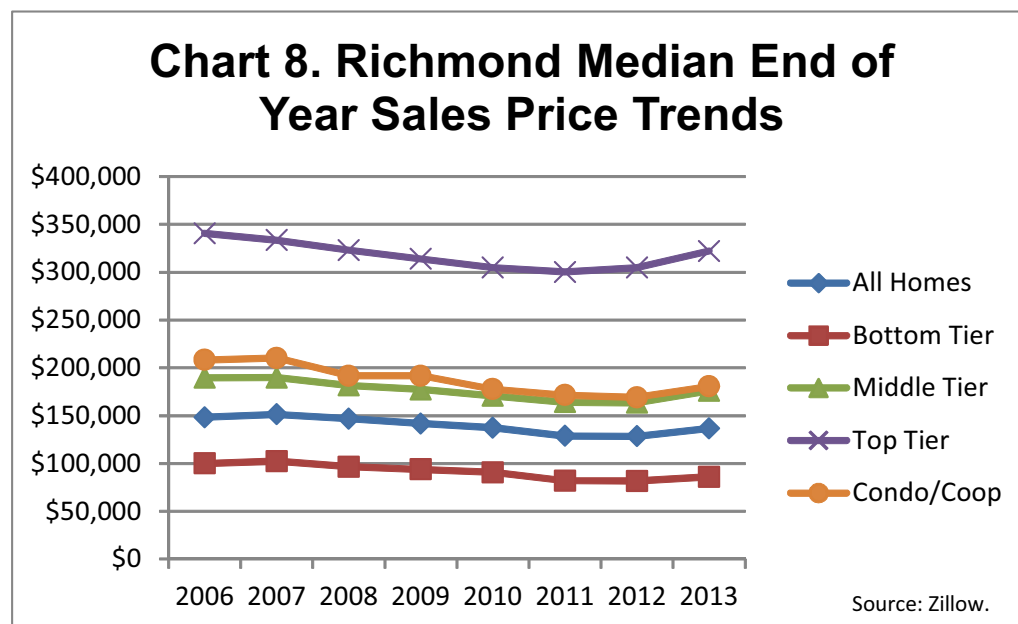
Source: Zillow.

According to the ACS five-year estimate, the median value of a single-family home in the city of Richmond was \$198,000 in 2012. Only 3 percent of homes were less than \$50,000 in the city, and 14 percent were less than \$100,000. Approximately 36 percent were between \$100,000 and \$199,999. An additional 39 percent were between \$200,000 and \$499,999. Only 11 percent of the city's single-family units were valued at or above \$500,000.



Richmond's Downtown and Huguenot had substantial percentages of housing in the \$200,000 to \$499,999 range, while Midlothian and Broad Rock had high percentages of housing valued at less than \$200,000. The Far West had the highest percentage of homes valued over \$500,000.

Housing prices in Richmond suffered from the national economic downturn that began about 2007 to 2008. Based on market research by Zillow, the median end-of-the-year sales price for all homes in Richmond declined from a high of \$151,500 in 2007 to low of \$128,500 in 2012, before rising again slightly to \$136,600 in 2013. The bottom tier of the market dropped from a median sales price of \$102,400 in 2007 to a low of \$81,700 in 2012. As of end of the year 2013, the median sales price for the bottom tier of the market had risen somewhat to \$86,000. Condominium units also declined in median sales price, from \$210,300 at the end of 2007 to just \$169,100 in 2012. The median sales price for condos at the end of 2013 had recovered slightly, to \$180,600—still well below the 2007 high.



## SUBSIDIZED HOUSING SUPPLY

The supply of subsidized housing in the city of Richmond has not changed substantially in recent years. As shown in the following table, according to HUD’s data files on “A Picture of Subsidized Households,” between 2008 and 2013, the number of public housing units increased by only 1 percent, while the number of Low-Income Housing Tax Credit (LIHTC) units increased by 1,201 units—about 19 percent. Available data do not indicate increases in the number of units for any other programs and show an actual decrease in the number of units in the Section 8 New Construction and Substantial Rehabilitation program. The percent of subsidized units that are occupied in 2013 is high—94 percent to 96 percent for four of the seven program categories. An exception is the Section 8 Moderate Rehabilitation program, which had an occupancy rate of only 59 percent in 2013. The database indicates that approximately 87 percent of the available Housing Choice Vouchers were used for occupancy in 2013.

**Table 9.**  
**Richmond Subsidized Housing**

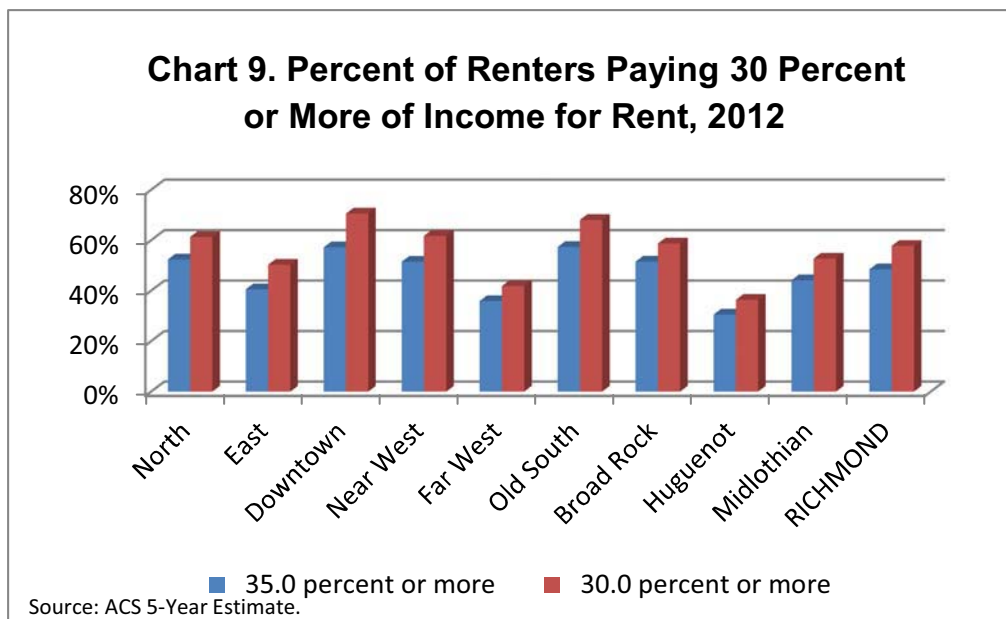
	2008		2013		Change in Number of Units 2008 to 2013	
	Subsidized Units Available	Percent Occupied	Subsidized Units Available	Percent Occupied	Number	%
Public Housing	3,969	92%	4,008	95%	39	1%
Housing Choice Voucher:	-1	-1	2,363	87%	-1	-1
Section 8 Mod Rehab	-1	-1	34	59%	-1	-1
Section 8 New Construction/Substantial Rehab	2,730	95%	1,507	95%	-1,223	-81%
Section 236	276	93%	276	94%	0	0%
Multifamily Other	589	96%	879	96%	290	33%
Low-Income Housing Tax Credit	5,141	79%	6,342	-1	1,201	19%

"-1" indicates missing numeric.

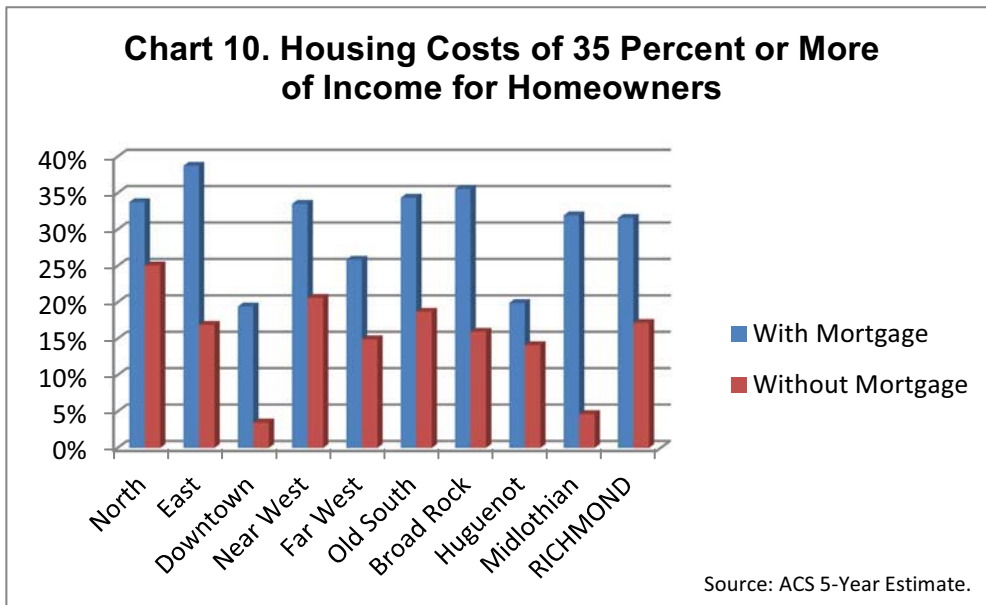
Source: HUD, "A Picture of Subsidized Households," 2008 and 2009 (reweighted) to 2013.

## RENT BURDEN AND HOUSING COSTS

Substantial numbers of households in the city of Richmond pay an excessive amount for housing costs. A standard measure of housing cost burden is a payment of more than 30 percent of income for housing. As shown in the following chart, approximately 58 percent of the city's renters paid 30 percent or more of their income for gross rent in 2012, including 48 percent who paid 35 percent or more of income for rent. The percentage of renter households who are rent burdened is highest in Downtown and Old South. Huguenot has the lowest percentage of rent-burdened households. (See Appendix Table A-15.)



Similarly, some homeowners face excessive housing costs. According to the ACS Five-Year Estimate for 2012, approximately 41 percent of the city’s homeowners with mortgages paid 30 percent or more of their income for housing costs. Of those homeowners with mortgages, 32 percent had even greater housing cost burdens, paying 35 percent or more of their income for housing costs. A smaller percentage of homeowners who do not have mortgages are cost burdened—only 22 percent paid 30 percent or more of their incomes for housing, including 17 percent who paid 35 percent or more of income for housing. Among Richmond’s housing submarkets, East has the highest percentage of homeowners with mortgages who pay 35 percent or more of their income for housing. (See Appendix Table A-16.)



## ADDITIONAL HOUSING SUPPLY AND DEMAND/NEED MISMATCHES

The DRA/AREA team examined other potential imbalances in the Richmond housing market. Briefly, key findings include:

- **Overcrowding.** Overcrowding, as defined by having more than 1.5 persons per room, is not a significant problem in the city. According to the ACS Five-Year Estimates for 2010, only 1 percent of the city’s renter-occupied units had more than 1.5 persons per room, and only 4 percent had more than one person per room. However, some submarkets have more overcrowding than is the norm for the city. In particular, approximately 10 percent of Broad Rock’s occupied rental units had more than one person per room.
- **Substandard Housing.** According to Richmond’s 2013 Consolidated Plan, only 940 of the city’s housing units were substandard as defined by lacking plumbing and/or kitchen facilities. Of those units, 90 percent were renter occupied and only 10 percent were owner occupied. The majority of renters living in substandard units had income of zero to 30 percent of the area median income (AMI); however, 63.2 percent of the homeowners residing in substandard units had incomes that were just over 50 percent up to 80 percent of AMI.

**TABLE 10.**  
**SUBSTANDARD HOUSING CONDITIONS: CITY OF RICHMOND**

	0–30% AMI*	>30–50% AMI	>50–80% AMI	>80–100% AMI	TOTAL
Renter-Occupied Units					
Number	575	115	90	65	845
Percent	68.0%	13.6%	10.7%	7.7%	100%
Owner-Occupied Units					
Number	20	0	60	15	95
Percent	21.1%	0%	63.2%	15.8%	100%
Total					
Number	595	115	150	80	940
Percent	63.3%	12.2%	16.0%	8.5%	100%

\*Area median income equals AMI.

Source: City of Richmond, 2013 Consolidated Plan.

- **Homeless Population.** The City of Richmond’s 2013 Consolidated Plan also contains estimates of the city’s homeless population based on data collected by Homeward, Inc. As shown in the following table, the majority (645) of persons that experience homelessness on a given night of the survey are persons in households with only adults, and they receive shelter. Approximately 170 persons in households with only adults are unsheltered.

In addition, on any given night, approximately 184 persons in households with adults and children are homeless but receive shelter. No persons in this type of household was unsheltered on a given night. Veterans account for about 139 of the homeless persons on a given night with shelter and 21 of those without shelter. Also, according to the City of Richmond’s estimates, 2,202 persons in households with only adults experience homelessness each year, and 1,867 persons in this category become homeless each year—again accounting for the majority of the homeless population. Approximately, 659 persons in households with both adults and children experience homelessness each year, and 503 persons in this category become homeless each year. The city has 170 chronically homeless individuals who experience homelessness during a year and 8 chronically homeless families. The study found no unaccompanied homeless children or persons in households with only children.

**TABLE 11.  
HOMELESS NEEDS ASSESSMENT: CITY OF RICHMOND**

POPULATION/ PERSONS	ESTIMATE OF NUMBER EXPERIENCING HOMELESSNESS ON A GIVEN NIGHT		ESTIMATE OF THE NUMBER EXPERIENCING HOMELESSNESS EACH YEAR	ESTIMATE OF THE NUMBER BECOMING HOMELESS EACH YEAR	ESTIMATE OF THE NUMBER EXITING HOMELESSNESS EACH YEAR	ESTIMATE OF THE NUMBER OF DAYS PERSONS EXPERIENCE HOMELESSNESS
	SHELTERED	UNSHelterED				
In households with adult(s) and child(ren)	184	0	659	503	513	78
In households with only children	0	0	0	0	0	0
In households with only adults	645	170	2,202	1,867	1,814	24
Chronically homeless individuals	60	23	170	20	45	21
Chronically homeless families	3	0	8	5	5	89
Veterans	139	21	339	250	240	30
Unaccompanied child	0	0	0	0	0	0
Persons with HIV	3	2	23	3	4	22

Source: City of Richmond, 2013 Consolidated Plan.

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## SECTION IV.

# KEY HOUSING NEEDS AND MARKET CONCLUSIONS

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The city of Richmond is located in a rapidly growing region and metropolitan area. The city itself, however, has somewhat limited current and projected population and household growth, which would naturally support housing production. To enhance the housing stock, the City should consider housing development activity that could increase the attractiveness of its housing stock, retain and possibly attract households to the city, and better meet the needs of some current households. Key opportunity areas and needs to be addressed include:

- **Accommodate Projected Population Growth.** By 2020, the State Demographer Projections indicate that the city’s population will increase to 206,674 people—an increase of about 1,300 people, or 570 households above 2012 estimated levels. Additional units will be needed to accommodate this growth as well as to replace housing units likely to be lost due to deterioration or natural disasters.
- **Address Affordable Housing Needs.** Additional affordable housing options are required for some households, especially renters, who pay too high a percentage of their incomes for housing. As will be discussed in greater detail in other reports by the DRA team as part of the Affordable Housing Trust Fund Advisory Services, approximately 48 percent of the city’s renters pay 35 percent or more of their incomes for rent. Although some renters may prefer to be “house poor” and spend a significant percentage of their income for housing, the proportion of income that is devoted to housing is usually higher for low- and moderate-income households than for higher income households; many of Richmond’s rent-burdened households are low- and moderate-income.
- **Offer Additional Housing Choices in Key Locations/Submarket Areas.** In order to attract a higher percentage of the metropolitan area’s increasing population, the City can encourage housing that appeals to households that could be attracted to urban environments. Additional development in Downtown and selected neighborhoods could offer housing choices that are not readily available elsewhere.



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## **APPENDIX**

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Table A-1. Population		2000	2010	% Change	2012
<b>Richmond</b>		<b>197,790</b>	<b>204,214</b>	<b>3%</b>	<b>6424</b>
North		35298 18%	31790 16%	-10%	-3508
East		27743 14%	27378 13%	-1%	-365
Downtown		3926 2%	6084 3%	55%	2158
Near West		32764 17%	37596 18%	15%	4832
Far West		17285 9%	17574 9%	2%	289
Old South		23518 12%	23794 12%	1%	276
Broad Rock		20493 10%	29583 14%	44%	9090
Huguenot		11324 6%	11952 6%	6%	628
Midlothian		25439 13%	18463 9%	-27%	-6976

Source: US Census

Table A-2. Population		2010	2012	% Change	2012
<b>Richmond</b>		<b>201,828</b>	<b>205,348</b>	<b>2%</b>	<b>3520</b>
North		33397 17%	32480 16%	-3%	-917
East		26246 13%	27675 13%	5%	1429
Downtown		5415 3%	5866 3%	8%	451
Near West		35131 17%	37329 18%	6%	2198
Far West		17300 9%	17210 8%	-1%	-90
Old South		23774 12%	23400 11%	-2%	-374
Broad Rock		30541 15%	31717 15%	4%	1176
Huguenot		11310 6%	11488 6%	2%	178
Midlothian		18714 9%	18183 9%	-3%	-531

Source: ACS 5yr Estimate

Table A-3. Households		2000	2010	% Change	2012
<b>Richmond</b>		<b>84,549</b>	<b>87,151</b>	<b>3%</b>	<b>2602</b>
North		14359 17%	13327 15%	-7%	-1032
East		10488 12%	11250 13%	7%	762
Downtown		1709 2%	2889 3%	69%	1180
Near West		16128 19%	17476 20%	8%	1348
Far West		7204 9%	7012 8%	-3%	-192
Old South		9675 11%	10225 12%	6%	550
Broad Rock		11167 13%	10894 13%	-2%	-273
Huguenot		5348 6%	5673 7%	6%	325
Midlothian		8471 10%	8405 10%	-1%	-66

Source: US Census

Table A-4. Households		2010	2012	% Change	2012
<b>Richmond</b>		<b>83,498</b>	<b>83,775</b>	<b>0%</b>	<b>277</b>
North		13897 17%	13250 16%	-5%	-647
East		10635 13%	11048 13%	4%	413
Downtown		2516 3%	2547 3%	1%	31
Near West		15784 19%	15983 19%	1%	199
Far West		6780 8%	6721 8%	-1%	-59
Old South		9423 11%	9575 11%	2%	152
Broad Rock		10583 13%	10805 13%	2%	222
Huguenot		5345 6%	5520 7%	3%	175
Midlothian		8535 10%	8326 10%	-2%	-209

Source: ACS 5yr Estimate

**Table A-5.  
Estimated Total Householders by Income Level - City of Richmond**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	82224	82368			0%
<\$15,000	17553	17177	21%	21%	-2%
\$15,000-\$24,999	11002	10644	13%	13%	-3%
\$25,000-\$34,999	9380	9597	11%	12%	2%
\$35,000-\$49,999	12523	12102	15%	15%	-3%
\$50,000-\$74,999	13667	13124	17%	16%	-4%
\$75,000-\$99,999	6841	7675	8%	9%	12%
\$100,000-\$149,000	5945	6274	7%	8%	6%
\$150,000-\$199,999	2370	2455	3%	3%	4%
\$200,000+	2943	3320	4%	4%	13%
Median Income:	\$ 40,569	\$ 41,148			1%

Source: ACS 5yr Estimate

**Table A-6.**  
**Estimated Total Householders by Income Level - North**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	13897	13250			-5%
<\$15,000	3498	3117	25%	24%	-11%
\$15,000-\$24,999	1907	1726	14%	13%	-9%
\$25,000-\$34,999	1499	1701	11%	13%	13%
\$35,000-\$49,999	2230	1975	16%	15%	-11%
\$50,000-\$74,999	2244	1900	16%	14%	-15%
\$75,000-\$99,999	1186	1297	9%	10%	9%
\$100,000-\$149,000	824	955	6%	7%	16%
\$150,000-\$199,999	261	270	2%	2%	3%
\$200,000+	248	309	2%	2%	25%
Median Income:	\$ 37,315	\$ 37,631			1%

Source: ACS 5yr Estimate

**Table A-7.**  
**Estimated Total Householders by Income Level - East**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	10635	11048			4%
<\$15,000	3566	3660	34%	33%	3%
\$15,000-\$24,999	1436	1513	14%	14%	5%
\$25,000-\$34,999	1312	1124	12%	10%	-14%
\$35,000-\$49,999	1320	1396	12%	13%	6%
\$50,000-\$74,999	1653	1619	16%	15%	-2%
\$75,000-\$99,999	603	862	6%	8%	43%
\$100,000-\$149,000	379	510	4%	5%	35%
\$150,000-\$199,999	215	184	2%	2%	-14%
\$200,000+	151	180	1%	2%	19%
Median Income:	\$ 29,146	\$ 29,506			1%

Source: ACS 5yr Estimate

**Table A-8.**  
**Estimated Total Householders by Income Level - Downtown**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	2516	2547			1%
<\$15,000	864	823	34%	32%	-5%
\$15,000-\$24,999	437	449	17%	18%	3%
\$25,000-\$34,999	296	229	12%	9%	-23%
\$35,000-\$49,999	281	401	11%	16%	43%
\$50,000-\$74,999	339	340	13%	13%	0%
\$75,000-\$99,999	110	153	4%	6%	39%
\$100,000-\$149,000	167	114	7%	4%	-32%
\$150,000-\$199,999	0	2	0%	0%	
\$200,000+	22	36	1%	1%	64%
Median Income:	\$ 27,744	\$ 27,135			-2%

Source: ACS 5yr Estimate

**Table A-9.**  
**Estimated Total Householders by Income Level - Near West**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	15784	15983			1%
<\$15,000	3525	3627	22%	23%	3%
\$15,000-\$24,999	1929	1823	12%	11%	-5%
\$25,000-\$34,999	1939	1939	12%	12%	0%
\$35,000-\$49,999	2251	2307	14%	14%	2%
\$50,000-\$74,999	2191	2295	14%	14%	5%
\$75,000-\$99,999	1424	1513	9%	9%	6%
\$100,000-\$149,000	1218	1169	8%	7%	-4%
\$150,000-\$199,999	477	478	3%	3%	0%
\$200,000+	830	832	5%	5%	0%
Median Income:	\$ 39,983	\$ 40,169			0%

Source: ACS 5yr Estimate

**Table A-10.**  
**Estimated Total Householders by Income Level - Far West**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	6780	6721			-1%
<\$15,000	542	441	8%	7%	-19%
\$15,000-\$24,999	415	360	6%	5%	-13%
\$25,000-\$34,999	369	332	5%	5%	-10%
\$35,000-\$49,999	699	658	10%	10%	-6%
\$50,000-\$74,999	1091	1057	16%	16%	-3%
\$75,000-\$99,999	703	758	10%	11%	8%
\$100,000-\$149,000	1265	1208	19%	18%	-5%
\$150,000-\$199,999	646	678	10%	10%	5%
\$200,000+	1050	1229	15%	18%	17%
Median Income:	\$ 87,941	\$ 97,258			11%

Source: ACS 5yr Estimate

**Table A-11.**  
**Estimated Total Householders by Income Level - Old South**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	8149	8168			0%
<\$15,000	2015	2075	25%	25%	3%
\$15,000-\$24,999	1222	1221	15%	15%	0%
\$25,000-\$34,999	1090	1094	13%	13%	0%
\$35,000-\$49,999	1283	1320	16%	16%	3%
\$50,000-\$74,999	999	873	12%	11%	-13%
\$75,000-\$99,999	633	625	8%	8%	-1%
\$100,000-\$149,000	610	637	7%	8%	4%
\$150,000-\$199,999	192	233	2%	3%	21%
\$200,000+	105	90	1%	1%	-14%
Median Income:	\$ 36,159	\$ 35,442			-2%

Source: ACS 5yr Estimate

**Table A-12.**

**Estimated Total Householders by Income Level - Broad Park**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	10583	10805			2%
<\$15,000	1892	1809	2%	17%	-4%
\$15,000-\$24,999	1924	1993	18%	18%	4%
\$25,000-\$34,999	1556	1458	15%	13%	-6%
\$35,000-\$49,999	1963	1891	19%	18%	-4%
\$50,000-\$74,999	2032	1983	19%	18%	-2%
\$75,000-\$99,999	829	1020	8%	9%	23%
\$100,000-\$149,000	345	571	3%	5%	66%
\$150,000-\$199,999	42	69	0%	1%	64%
\$200,000+	0	11	0%	0%	-
Median Income:	\$ 36,689	\$ 38,222			4%

Source: ACS 5yr Estimate

**Table A-13.**

**Estimated Total Householders by Income Level - Huguenot**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	5345	5520			3%
<\$15,000	338	276	6%	5%	-18%
\$15,000-\$24,999	438	430	8%	8%	-2%
\$25,000-\$34,999	348	520	7%	9%	49%
\$35,000-\$49,999	601	660	11%	12%	10%
\$50,000-\$74,999	1132	1201	21%	22%	6%
\$75,000-\$99,999	736	699	14%	13%	-5%
\$100,000-\$149,000	787	762	15%	14%	-3%
\$150,000-\$199,999	475	462	9%	8%	-3%
\$200,000+	490	510	9%	9%	4%
Median Income:	\$ 70,573	\$ 68,557			-3%

Source: ACS 5yr Estimate

**Table A-14.**

**Estimated Total Householders by Income Level - Midlothian**

Area:	Households by Income of Householder		% of Total Householders		% Change
	2010	2012	2010	2012	
Total	8535	8326			-2%
<\$15,000	1313	1349	15%	16%	3%
\$15,000-\$24,999	1294	1129	15%	14%	-13%
\$25,000-\$34,999	971	1200	11%	14%	24%
\$35,000-\$49,999	1895	1494	22%	18%	-21%
\$50,000-\$74,999	1986	1856	23%	22%	-7%
\$75,000-\$99,999	617	748	7%	9%	21%
\$100,000-\$149,000	350	348	4%	4%	-1%
\$150,000-\$199,999	62	79	1%	1%	27%
\$200,000+	47	123	1%	1%	162%
Median Income:	\$ 43,112	\$ 42,378			-2%

Source: ACS 5yr Estimate



Table A-15.

## Gross Rent as a Percentage of Household Income (GRAPI)

Occupied units paying rent (excluding units where GRAPI cannot be computed)

	North	East	Downtown	Near West	Far West	Old South	Broad Rock	Huguenot	Midlothian	RICHMOND
	6854	6939	1992	9680	1393	5008	4189	1488	7258	44801
Less than 15.0 percent	646	992	41	645	177	268	484	115	859	4227
15.0 to 19.9 percent	621	721	160	781	191	236	329	344	611	3994
20.0 to 24.9 percent	544	864	191	1208	183	568	466	160	1134	5318
25.0 to 29.9 percent	842	871	194	1070	259	529	452	328	826	5371
30.0 to 34.9 percent	612	677	267	994	83	537	299	87	626	4182
	9%	10%	13%	10%	6%	11%	7%	6%	9%	9%
35.0 percent or more	3589	2814	1139	4982	500	2870	2159	454	3202	21709
	52%	41%	57%	51%	36%	57%	52%	31%	44%	48%
Not computed	294	370	194	449	41	328	159	96	138	2069

Source: ACS 5yr Estimate.

Table A-16.

## Selected Monthly Owner Costs as a Percentage of Household Income (SMOCAPI)

Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)

	North	East	Downtown	Near West	Far West	Old South	Broad Rock	Huguenot	Midlothian	RICHMOND
	4200	2710	237	4497	3712	3034	2514	2758	2796	26458
Less than 20.0 percent	1086	766	56	1446	1368	754	670	1096	758	8000
20.0 to 24.9 percent	762	307	70	587	527	478	348	479	320	3878
25.0 to 29.9 percent	555	276	55	531	632	435	313	364	441	3602
30.0 to 34.9 percent	380	311	10	426	226	325	289	270	384	2621
35.0 percent or more	1417	1050	46	1507	959	1042	894	549	893	8357
	34%	39%	19%	34%	26%	34%	36%	20%	32%	32%
Not computed	8	20	9	14	45	33	0	36	9	174

Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)

	North	East	Downtown	Near West	Far West	Old South	Broad Rock	Huguenot	Midlothian	RICHMOND
	1841	941	115	1320	1522	1172	1198	1142	845	10096
Less than 10.0 percent	519	216	25	403	606	281	416	268	352	3086
10.0 to 14.9 percent	303	129	71	233	299	220	266	259	135	1915
15.0 to 19.9 percent	167	156	0	130	168	238	131	204	117	1311
20.0 to 24.9 percent	131	58	15	115	99	116	137	112	46	829
25.0 to 29.9 percent	132	150	0	75	84	59	50	76	85	711
30.0 to 34.9 percent	128	73	0	92	39	39	7	62	71	511
35.0 percent or more	461	159	4	272	227	219	191	161	39	1733
	25%	17%	3%	21%	15%	19%	16%	14%	5%	17%
Not computed	53	68	0	23	8	0	14	0	11	177

Source: ACS 5yr Estimate.



# Appendix A2



## Appendix A2

### List of Tables

<b>Table No.</b>	<b>Table Name</b>
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A2-1	Public Housing Inventory, Richmond Redevelopment and Housing Authority, December 31, 2013.
A2-2	Federally Subsidized Housing Projects with Use Restrictions Expiring Between 2013 and 2024, City of Richmond, August 2014
A2-3	Single-Family Home Sales, Zip Codes 23219, 23220, 23221, 23224, 23226, January 1, 2014 through May 30, 2014
A2-4	Single-Family Home Sales, Zip Code 23219, January 1, 2014 through June 30, 2014
A2-5	Single-Family Home Sales, Zip Code 23220, January 1, 2014 through June 30, 2014
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A2-10	Vacant Residential Land Sales, City of Richmond, January 1, 2014 through June 30, 2014
A2-11	Multifamily Property Sales, City of Richmond, January 1, 2014 through June 30, 2014

**Table A2-1  
Public Housing Units  
Richmond Redevelopment and Housing Agency  
31-Dec-13**

Property Name	Property Address	Zip	Year Built	Site Size (Acres)	Total Buildings	Total Units	Units by Bedroom Count						Total Residents	Residents Under 18	Adult Residents	Average Household Size	Average Annual Income	Average Rent
							Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom						
<b>Family Developments</b>																		
Gilpin Court	1101 Hickory St	23220	1942	30	97	781	--	103	334	226	82	4	2,158	1,985	855	2.8	\$7,613	\$172
Hillside Court	2207 Afton Ave	23224	1952	30	68	402	--	80	184	102	36	--	1,005	565	440	2.5	\$7,072	\$162
Creighton Court	3208 N St	23223	1952	40	85	504	--	124	206	128	46	--	1,297	709	588	2.6	\$7,513	\$174
Whitcomb Court	2526 Whitcomb St	23223	1958	35	84	441	--	62	229	110	36	4	1,076	583	483	2.4	\$7,793	\$180
Fairfield Court	2236 Fairfield Ave	23223	1958	35	84	447	--	62	222	112	46	5	1,197	673	524	2.7	\$8,494	\$195
Mosby Court	1543 Coalter St.	23223	1962/1970	57.8	106	458	--	52	134	190	72	10	1,397	865	532	3.1	\$7,795	\$173
Bainbridge	28th/Moody/Bainbridge		1971			18	--	--	--	18	--	--	65	38	27	3.6	\$14,305	\$331
Overlook/Mimosa			1976			10	--	--	--	10	--	--	22	8	14	2.2	\$14,431	\$349
Afton Avenue	Afton Avenue		1980			40	--	--	18	14	7	1	117	76	41	2.9	\$10,299	\$238
Fulton			1980			64	--	--	23	22	16	3	254	175	79	4.0	\$9,667	\$215
Randolph Apartments			1984			52	--	--	22	16	11	3	127	51	76	2.4	\$20,220	\$481
Oscar E. Stovall Apartments	24th and Bainbridge St.		1986			30	--	--	27	2	1	--	67	26	41	2.2	\$17,739	\$428
Greenwalk			2008		20	20	--	--	--	20	--	--	39	17	22	2.0	\$14,227	\$335
Small Used Houses (2)	Scattered Site SF Homes		Various		75	75	--	--	--	--	--	--	52	5	47	0.7	\$17,521	\$430
<b>Senior Developments</b>																		
Frederic A. Fay Towers	1202 N 1st St	23219-1008	1971		1	200	120	80	--	--	--	--	203	0	203	1.0	\$9,932	\$236
1200 Decatur	1200 Decatur St.	23224	1971		1	24	15	9	--	--	--	--	23	0	23	1.0	\$9,293	\$214
Fourth Avenue	1611 4th Ave	23222-5133	1978		1	105	--	105	--	--	--	--	106	0	106	1.0	\$10,230	\$241
Stonewall	700 S Lombardy St	23220-6057	1978		1	70	--	70	--	--	--	--	70	0	70	1.0	\$11,997	\$284
700 S. Lombardy	700 S Lombardy St	23220	1978		1	75	--	75	--	--	--	--	77	0	77	1.0	\$9,754	\$232
Old Brook Circle	3900 Old Brook Circle	23227	1978			25	--	25	--	--	--	--	28	0	28	1.1	\$9,720	\$224
Melvin C. Fox Manor	18-A West 27th St.	23225	1986			50	--	50	--	--	--	--	53	0	53	1.1	\$9,508	\$224
<b>Total</b>						<b>3,891</b>	135	897	1,399	970	353	30	9,433	5,776	4,329			

549

(1) Unit totals by bedroom count exclude the scattered site small used houses.

(2) Includes 2, 3 and 4 bedroom units scattered throughout Nortsides, Southside and West End neighborhoods.

Source: Richmond Redevelopment and Housing Authority, "Richmond Redevelopment and Housing Authority Profiles," statistics as of 12/31/13.

**Table A2-2  
 Federally Subsidized Housing Projects with Use Restrictions Expiring Between 2013 and 2024  
 City of Richmond  
 August, 2014**

Property Name	Property Address	City	State	Zip	County	CD	Subsidy End Date	Total Units	Active Subsidies	Owner	Owner Type
<b>HUD Project-Based Rental Assistance (1)</b>											
Aspen Station	1500 Forest Run Dr	Richmond	VA	23228-6219	Henrico	7	6/14/13	232	0	Aspen Station Apartments Llc	Multiple
Dominion Place	1025 W Grace St	Richmond	VA	23220-3610	Richmond City	3	6/30/14	249	1	Multiple	For Profit
Delmont Plaza	3808 Delmont St	Richmond	VA	23222-2057	Henrico	3	8/1/14	41	1	DP Apartments LP	For Profit
Saints Cosma & Damianos House	1030 German School Rd	Richmond	VA	23225-4291	Richmond City	3	8/27/14	35	2	Sts. Cosma and Damian Corporation	Non-Profit
Independence House	1725 National St	Richmond	VA	23231-3419	Richmond City	3	8/31/14	6	2	Independence House	Non-Profit
Monarch Woods	6501 Jahke Rd	Richmond	VA			7	1/31/15	71	1	Richmond Urban Senior Housing, Inc.	Non-Profit
Bliley Manor	6117 Bliley Rd	Richmond	VA	23225-2339	Richmond City	3	2/28/15	8	1	bliley manor	Non-Profit
Cherokee Hill of Richmond	2925 Cherokee Rd	Richmond	VA	23225-1601	Richmond City	7	2/28/15	8	1	Cherokee Hill Of Richmond	Non-Profit
James River Apartments	1517 Jefferson Davis Hwy	Richmond	VA	23224-7215	Richmond City	3	3/31/15	14	1	James River Apartments	Non-Profit
Church Hill	1501 N 21st St	Richmond	VA	23223-4330	Richmond City	3	11/26/15	296	2	Church Hill/Fairmount Apartments LP	For Profit
Randolph Place	300 S Randolph St	Richmond	VA	23220-6030	Richmond City	3	12/17/15	50	2	300 Randolph Street LLC	Non-Profit
Oakland Village TH	1400 Old Bronze Rd	Richmond	VA	23231-4711	Henrico	3	1/1/16	100	4	Oakland Village Associates, LLC	For Profit
Multiple	1402 Jennie Scher Rd	Richmond	VA	23231-1012	Richmond City	3	1/1/16	250	4	Multiple	For Profit
NEWMAN VILLAGE APARTMENTS	4000A Old Brook Rd	Richmond	VA	23227-4208	Richmond City	3	1/22/16	99	1	Newman Village Preservation, L.P.	For Profit
MAYMONT MANOR	1700 S Meadow St	Richmond	VA	23220-6830	Richmond City	3	4/15/16	5	1	RRS PROPERTY, INC.	Non-Profit
BETH SHOLOM WOODS	2027 Lauderdale Dr	Richmond	VA	23238-3940	Henrico	7	8/26/16	112	2	Beth Sholom Housing Corporation	Non-Profit
TOWN & COUNTRY SOUTH	1402 Barriedale Rd	Richmond	VA	23225-7638	Richmond City	3	11/30/16	132	1	Quest T & C South LLC	For Profit
The Woodlands	1327 Pinecroft Ct	Richmond	VA	23231-4748	Henrico	3	10/1/18	100	2	Oakland TH Mutual Homes, Inc.	Non-Profit
Renaissance	1021 German School Rd	Richmond	VA	23225-4272	Richmond City	3	3/19/19	240	2	Renaissance Richmond, LLC	For Profit
PLACE ONE	4265 Sprenkle Ln	Richmond	VA	23228-3613	Henrico	7	7/12/19	114	2	SP Place One LP	For Profit
NEWBRIDGE VILLAGE APARTMENTS	313 Newbridge Rd	Richmond	VA	23223-6155	Henrico	3	7/31/19	152	2	Newbridge Associates, LLC	For Profit
Williamsburg Village	1669 Thalia Cres	Richmond	VA	23231-3808	Henrico	3	10/31/19	140	2	Williamsburg Village Associates, L.P.	For Profit
LAFAYETTE GARDENS	2219 Ruffin Rd	Richmond	VA	23234-6552	Richmond City	3	2/29/20	104	3	Ruffin Road LLC	For Profit
Country Place	111 Starbuck Ct	Richmond	VA	23223-3334	Henrico	3	4/30/20	102	2	Bayard Oaks Richmond, LLC	For Profit
Blue Ridge Estates	6507 Sugar Maple Dr	Richmond	VA	23225-5718	Richmond City	3	5/31/20	182	2	BC Sugar Maple LLC	For Profit
MIDLOTHIAN VILLAGE APARTMENTS	4000 Midlothian Tpke	Richmond	VA	23224	Richmond City	3	11/30/21	216	3	Midlothian Village Associates, LP	For Profit
Woodland Crossing	3457 Walmsley Blvd	Richmond	VA	23234	Richmond City	3	1/31/22	132	2	Walmsley Terrace Limited Partnership	For Profit
Jackson Ward	210 Hospital St	Richmond	VA	23219-1139	Richmond City	3	3/31/22	18	3	JACKSON WARD ASSOCIATES	Non-Profit
<b>Subtotal--HUD PBRA</b>								<b>3,208</b>			
<b>Low Income Housing Tax Credits</b>											
PARHAM PARK PLACE SENIORS ( AKA PARHAM ROAD SENIORS )	7600 E Parham Rd	Richmond	VA	23294-4307	Henrico	7	12/31/15	86	1	ELDER HOMES-PARHAM SENIORS LP	Non-Profit
THE GLENN'S AT MILLERS LANE	4700 Millers Ln	Richmond	VA	23231-2323	Henrico	3	12/31/15	144	1	VARINA STATION PARTNERSHIP LP	For Profit
RANDOLPH VILLAGE	704 S Harrison St	Richmond	VA	23220-6473	Richmond City	3	12/31/16	91	2	HUNTON & WILLIAMS	For Profit
AUDUBON VILLAGE	4901 Wood Thrush Cir	Richmond	VA	23231-2787	Henrico	3	12/31/16	160	1	AUDUBON VILLAGE LP	For Profit
DAIRY BUILDING	201 W Marshall St	Richmond	VA	23220-3951	Richmond City	3	12/31/16	113	1	RICHMOND DAIRY ASSOCIATION LP	For Profit
GRAYSTONE	2394 Afton Ave	Richmond	VA	23224-7902	Richmond City	3	12/31/16	136	1	GS RICHMOND LP	For Profit
GUARDIAN PLACE II	3840 Mastin Ln	Richmond	VA	23230-4033	Richmond City	3	12/31/16	114	2	GUARDIAN PLACE II LP	Non-Profit
RICHFIELD PLACE ( AKA HUNTINGTON VILLAGE )	6001 Grammarcy Cir	Richmond	VA	23227-2328	Henrico	3	12/31/16	266	1	RICHFIELD PLACE ASSOCIATES LP	For Profit
ST ANDREWS ( AKA AFFORDABLE HISTORIC HOUSING )	912 Cumberland St	Richmond	VA	23220-5421	Richmond City	3	12/31/16	22	1	AFFORDABLE HISTORIC RESIDENCES OF RICHMOND LP	Non-Profit

**Table A2-2  
 Federally Subsidized Housing Projects with Use Restrictions Expiring Between 2013 and 2024  
 City of Richmond  
 August, 2014**

Property Name	Property Address	City	State	Zip	County	CD	Subsidy End Date	Total Units	Active Subsidies	Owner	Owner Type
TOWNHOMES OF OAKLEYS	4633 Needham Ct	Richmond	VA	23231-2819	Henrico	3	12/31/16	160	1	OAKLEYS TOWNHOUSES LLC	For Profit
Shockoe Hill Elderly I	210 Hospital St	Richmond	VA			3	12/31/16	113	2	Shockoe Hill I LP	Non-Profit
CHARWOOD FOREST	4325 Crutchfield St	Richmond	VA	23225-4773	Richmond City	3	12/31/17	100	2	HUNTON & WILLIAMS	Non-Profit
WILLIAMSBURG VILLAGE	1669 Thalia Cres	Richmond	VA	23231-3808	Henrico	3	12/31/17	140	2	WILLIAMSBURG VILLAGE ASSOCIATION LP	For Profit
Multiple	5600 Charlevoix Ct	Richmond	VA	23224-1043	Richmond City	3	12/31/17	158	4	HUNTON & WILLIAMS	Multiple
AUDUBON VILLAGE II	5000 Meadowlark Ct	Richmond	VA	23231-2795	Henrico	3	12/31/17	54	1	SECOND AUDUBON VILLAGE LP	For Profit
GRACE PLACE	400 E Grace St	Richmond	VA	23219-1838	Richmond City	3	12/31/17	58	1	400 EAST GRACE STREET LP	For Profit
COUNTRY PLACE	111 Starbuck Ct	Richmond	VA	23223-3334	Henrico	3	12/31/18	102	2	HUNTON & WILLIAMS	Non-Profit
Multiple	1900 Cliffbrook Ln	Richmond	VA	23227-2423	Henrico	3	12/31/18	156	2	Multiple	For Profit
Multiple	801 Holly Spring Ave	Richmond	VA	23224-5036	Richmond City	3	12/31/18	121	2	Multiple	For Profit
FOREST CREEK SENIORS	3501 Forest Haven Dr	Richmond	VA	23234-3573	Richmond City	4	12/31/18	94	1	CENTRUM-IRONBRIDGE LP	For Profit
MAURY VILLAGE (AKA MAURY SENIOR RETIREMENT VILLAGE, MAURY PARK )	1411 Bainbridge St	Richmond	VA	23224-2079	Richmond City	3	12/31/18	45	1	MAURY SENIOR RETIREMENT VILLAGE LP	Non-Profit
REFLECTIONS	3701 Gay Ave	Richmond	VA	23231	Henrico	3	12/31/18	104	1	HC ONE LP	For Profit
MIDLOTHIAN VILLAGE APARTMENTS	4000 Midlothian Tpke	Richmond	VA	23224	Richmond City	3	12/31/18	216	3	HERCULES REAL ESTATE SERVICES INC	For Profit
NEWBRIDGE VILLAGE	313 Newbridge Rd	Richmond	VA	23223-6155	Henrico	3	12/31/19	152	2	F & W MANAGEMENT	For Profit
WOODLAND CROSSING	3457 Walmsley Blvd	Richmond	VA	23234	Richmond City	3	12/31/19	132	2	SHELTER GROUP	For Profit
DOMINION PLACE	1025 W Grace St	Richmond	VA	23220-3610	Richmond City	3	12/31/20	249	1	BEACON COMMUNITIES LLC	For Profit
Multiple	4265 Sprenkle Ln	Richmond	VA	23228-3613	Henrico	7	12/31/20	114	2	Multiple	For Profit
HENRICO ARMS	1664 Henrico Arms Pl	Richmond	VA	23231-3807	Henrico	3	12/31/20	232	2	SILVER STREET DEVELOPMENT	For Profit
BROOKLAND PARK PLAZA	1221 E Brookland Park Blvd	Richmond	VA	23222-3112	Richmond City	3	12/31/20	77	1	RELATED COMPANIES OF NY INC	For Profit
Multiple	214 E 9th St	Richmond	VA	23224-4006	Richmond City	3	12/31/20	99	2	Multiple	For Profit
IMANI MEWS AND RETAIL CENTER	1420 Hull St	Richmond	VA	23224-3963	Richmond City	3	12/31/20	68	1	IMANI NEIGHBORHOOD DEVELOPMENT LLC	For Profit
MCGUIRE PARK	3700 McGuire Dr	Richmond	VA	23224	Richmond City	3	12/31/20	80	1	MCGUIRE APARTMENTS LP	For Profit
NORTH COURT APARTMENTS	3403 Chamberlayne Ave	Richmond	VA	23227-4577	Richmond City	3	12/31/20	266	1	NC RICHMOND LP	For Profit
SUMMERDALE	5951 Tiger Lily Ln	Richmond	VA	23223-6218	Henrico	3	12/31/20	124	1	SUMMERDALE LP	For Profit
BLUE RIDGE ESTATES	6507 Sugar Maple Dr	Richmond	VA	23225-5718	Richmond City	3	12/31/21	182	2	BEACON COMMUNITIES LLC	For Profit
OAKLAND VILLAGE	1400 Old Bronze Rd	Richmond	VA	23231-4711	Henrico	3	12/31/21	100	4	OAKLAND VILLAGE ASSOCIATION LLC	For Profit
Multiple	301 Dabbs House Rd	Richmond	VA	23223-4820	Henrico	3	12/31/21	80	2	Multiple	Multiple
DELMONT VILLAGE	3716 Delmont St	Richmond	VA	23222-2013	Henrico	3	12/31/21	94	1	DELMONT ASSOCIATION LP	For Profit
GLENWOOD FARMS	2709 Byron St	Richmond	VA	23223-1313	Henrico	3	12/31/21	294	1	RENAISSANCE GLENWOOD LP	For Profit
LAFAYETTE GARDENS	2219 Ruffin Rd	Richmond	VA	23234-6552	Richmond City	3	12/31/21	102	3	RUFFIN ROAD LLC	For Profit
SOUTH GATE	3430 Maury St	Richmond	VA	23224-5048	Richmond City	3	12/31/21	112	1	SOUTH GATE APARTMENTS LLC	For Profit
FIELDCREST	3731 Delmont St	Richmond	VA	23222-2001	Henrico	3	12/31/21	29	1	FIELDCREST APARTMENTS LP	For Profit
RENAISSANCE SENIOR APARTMENTS	1021 German School Rd	Richmond	VA	23225-4272	Richmond City	3	12/31/22	240	2	HUNTON AND WILLIAMS LLP	Non-Profit
CITY VENTURES	604 N 32nd St	Richmond	VA	23223-7549	Richmond City	3	12/31/22	28	1	CITY VENTURES LP	Non-Profit
NEW CLAY HOUSE	1125 W Clay St	Richmond	VA	23220-3100	Richmond City	3	12/31/22	47	1	NEW CLAY HOUSE LP	Non-Profit
CHURCH HILL / FAIRMOUNT HOUSE	1501 N 21st St	Richmond	VA	23223-4330	Richmond City	3	12/31/23	297	2	CHURCH HILL FAIRMOUNT APARTMENTS LP	For Profit
DELMONT PLAZA	3808 Delmont St	Richmond	VA	23222-2057	Henrico	3	12/31/23	41	1	DP APARTMENTS LP	For Profit
RANDOLPH PLACE ( ACTIVE SITE IS 300 RANDOLPH ST.)	300 S Randolph St	Richmond	VA	23220-6030	Richmond City	3	12/31/23	50	2	300 RANDOLPH STREET LLC	For Profit

**Table A2-2  
 Federally Subsidized Housing Projects with Use Restrictions Expiring Between 2013 and 2024  
 City of Richmond  
 August, 2014**

Property Name	Property Address	City	State	Zip	County	CD	Subsidy End Date	Total Units	Active Subsidies	Owner	Owner Type
JEFFERSON TOWNHOUSES	1901 Venable St	Richmond	VA	23223-6338	Richmond City	3	12/31/23	218	1	JEFFERSON TOWNHOUSES LLC	For Profit
NOELLE AT BROOK HILL	5613 Crenshaw Rd	Richmond	VA	23227-2531	Henrico	3	12/31/23	292	1	TMG BROOKE RIDGE LP	For Profit
CHIPPENHAM PLACE	5833 Orcutt Ln	Richmond	VA	23224-2717	Richmond City	3	12/31/24	144	2	CHIPPENHAM PLACE ASSOCIATION LP	For Profit
10 SOUTH 14TH STREET	8 S 14th St	Richmond	VA	23219-4106	Richmond City	3	12/31/24	21	1	PJS ASSOCIATES LP	For Profit
CROWN SQUARE ( AMT )	4050A Tangle Dr	Richmond	VA	23228-3624	Henrico	7	12/31/24	91	1	WISTAR III LP	For Profit
GUARDIAN PLACE	1620 N Hamilton St	Richmond	VA	23230-4000	Richmond City	3	12/31/24	120	1	UMFS	For Profit
PARKWOOD PLACE	2024 Parkwood Ave	Richmond	VA	23220-5327	Richmond City	3	12/31/24	4	1	PARKWOOD PLACE ASSOCIATES	For Profit
CARY 2000 NORTH ( AKA CARY MEWS	2000 W Cary St	Richmond	VA	23220-5364	Richmond City	3	12/31/24		2	CARY 2000 NORTH LP	Non-Profit
<b>Subtotal--LIHTC</b>								<b>6,932</b>			
<b>Other</b>											
<b>HUD Insured (2)</b>											
OAKLAND TH SEC II	1400 Old Bronze Rd	Richmond	VA	23231-4711	Henrico	3	2/1/19	100	4		For Profit
<b>Section 202 Direct Loans</b>											
Chesterfield Square	1017 Hioaks Rd	Richmond	VA	23225-4059	Richmond City	3	2/1/21	175	3	Chesterfield Square Mutual Homes, Inc.	Non-Profit
<b>HOME</b>											
SHP INDEPENDENCE HOUSE	1725 National St	Richmond	VA	23231-3419	Richmond City	3	2/17/16	6	2		
Jefferson Mews	501 N 23rd St	Richmond	VA	23223-7209	Richmond City	3	5/19/18	29	1	Jefferson Mews Limited Partnership, c/o	
RBHC / JEFFERSON MEWS	503 N 23rd St	Richmond	VA	23223	Richmond City	3	5/19/18	11	1		
Multiple	2100 W Cary St	Richmond	VA	23220-5217	Richmond City	3	12/2/18	29	2	Cary 2000 Limited Partnership, Phase III	
Multiple	2000 W Cary St	Richmond	VA	23220-5364	Richmond City	3	6/29/19	29	2		
<b>State HFA 236</b>											
Multiple	1402 Jennie Scher Rd	Richmond	VA	23231-1012	Richmond City	3	10/1/15	250	4		
Oakland Village TH	1400 Old Bronze Rd	Richmond	VA	23231-4711	Henrico	3	11/25/15	100	4		
<b>Subtotal--Other</b>								<b>729</b>			
<b>TOTAL</b>								<b>10,869</b>			

(1) Includes properties subsidized with HUD Project-Based Section 8, RAP, Section 202 and Section 811 programs.

(2) Includes properties insured under the HUD Section 23 an, Section 221(d)(3) BMIR programs, as well as non-subsidized HUD insured properties.

Source: National Housing Preservation Database, August 2014; DRA.







**Table A2-3**  
**Single-Family Home Sales**  
**Zip Codes 23219, 23220, 23221, 23224, 23226**  
**City of Richmond**  
**January 1, 2014 through May 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.				
202	23224	3617 Chapel	Dr	20140102	2	4	2	10,056	1950	\$42,000	1,291	\$32.53			
203	23224	3903 Larchmont	Ln	20140409	2	4	1	6,760	1942	\$42,500	1,306	\$32.54			
204	23224	5206 Weatherford	Rd	20140224	2	4	2	12,750	1956	\$50,000	1,772	\$28.22			
205	23224	2201 Hey	Rd	20140127	2	4	2	61,420	1938	\$65,000	1,260	\$51.59			
206	23224	1432 Talbert	Dr	20140113	2	4	2	14,600	1945	\$65,000	1,672	\$38.88			
207	23224	52 E 32Nd	St	20140312	2	4	2	3,904	1932	\$75,000	1,452	\$51.65			
208	23219	102 E Leigh	St	20130402	2	4	3	3,071	1900	\$105,000	2,680	\$39.18			
209	23219	111 E Leigh	St	20140227	2	4	1	2,500	1900	\$112,500	2,190	\$51.37			
210	23220	2008 Walker	St	20140411	2	4	1	6,000	1924	\$123,000	1,560	\$78.85			
211	23220	1502 W Leigh	St	20140107	2	4	2	3,000	1905	\$155,000	1,960	\$79.08			
212	23226	721 Pepper	Ave	20140221	1	4	2	24,745	1953	\$155,271	1,864	\$83.30	VLI \$160,000	16	25.8%
213	23219	109 E Clay	St	20130806	2	4	3	2,625	1848	\$164,500	1,408	\$116.83			
214	23220	1708 Lakeview	Ave	20140115	2	4	3	3,773	2005	\$182,000	1,768	\$102.94			
215	23221	3218 Condie	St	20140207	2	4	2	7,303	1949	\$182,500	1,296	\$140.82			
216	23226	4806 Bromley	Ln	20140401	2	4	2	7,071	1946	\$196,000	1,431	\$136.97			
217	23221	3007 French	St	20140305	2	4	2	8,400	1945	\$197,000	1,509	\$130.55			
218	23220	1801 Lakeview	Ave	20140409	2	4	2	7,027	1940	\$197,500	1,580	\$125.00			
219	23220	305 W Clay	St	20140331	2	4	2	2,795	1846	\$210,000	1,786	\$117.58			
220	23221	902 S Belmont	Ave	20140115	2	4	2	6,800	1951	\$231,000	1,535	\$150.49			
221	23226	4708 Grove	Ave	20140410	2	4	1	6,500	1947	\$240,000	1,200	\$200.00			
222	23220	2108 Maplewood	Ave	20140328	2	4	3	2,356	1923	\$260,000	1,504	\$172.87	LI \$263,000	26	41.9%
223	23226	5811 Guthrie	Ave	20140203	2	4	2	13,293	1947	\$265,000	1,392	\$190.37			
224	23226	4729 Patterson	Ave	20140414	2	4	2	8,550	1946	\$270,000	1,448	\$186.46			
225	23226	4815 Bromley	Ln	20140113	2	4	2	8,836	1950	\$301,000	1,367	\$220.19			
226	23221	3130 W Grace	St	20140113	2	4	1	3,311	1924	\$312,000	1,656	\$188.41			
227	23221	3329 Floyd	Ave	20140220	2	4	2	4,050	1910	\$321,000	2,128	\$150.85			
228	23221	3802 Stuart	Ave	20140109	2	4	2	8,160	1946	\$329,500	1,925	\$171.17			
229	23221	4506 Hanover	Ave	20140304	2	4	3	6,750	1941	\$338,000	1,937	\$174.50	MI \$332,000	32	51.6%
230	23221	4001 Park	Ave	20140317	2	4	3	6,061	1953	\$340,000	1,471	\$231.14			
231	23221	3104 Kensington	Ave	20140204	2	4	2	3,000	1922	\$340,600	1,640	\$207.68			
232	23221	3135 Park	Ave	20140414	2	4	1	3,550	1917	\$359,950	1,642	\$219.21			
233	23221	1404 Pump House	Dr	20140402	2	4	3	13,283	1950	\$383,000	2,558	\$149.73			
234	23226	4703 Patterson	Ave	20140124	2	4	3	17,500	1940	\$384,000	2,424	\$158.42			
235	23220	6 N Davis	Ave	20140331	2	4	2	2,211	1906	\$385,000	2,190	\$175.80			
236	23226	4600 Kensington	Ave	20140129	2	4	3	7,459	1915	\$399,000	2,342	\$170.37			
237	23221	3205 Kensington	Ave	20140314	2	4	3	3,075	1921	\$400,000	1,942	\$205.97			
238	23220	104 N Allen	Ave	20140203	2	4	4	1,813	1919	\$429,950	2,108	\$203.96			
239	23226	4644 Kensington	Ave	20140324	2	4	3	10,125	1951	\$465,000	2,067	\$224.96			
240	23220	2234 W Grace	St	20140324	2	4	3	3,673	1908	\$501,900	2,656	\$188.97			
241	23221	4110 Wythe	Ave	20140226	2	4	3	6,392	1990	\$528,000	2,706	\$195.12			
242	23221	4305 N Ashlawn	Dr	20140304	2	4	3	7,350	1940	\$540,100	2,432	\$222.08			
243	23220	2021 W Grace	St	20140226	2	4	3	3,920	1907	\$559,000	3,116	\$179.40			
244	23226	354 Albemarle	Ave	20140115	2	4	3	7,000	2005	\$565,000	2,938	\$192.31			
245	23221	4201 Hanover	Ave	20140122	2	4	3	8,500	1938	\$605,000	2,717	\$222.67			
246	23226	337 Lexington	Rd	20140321	2	4	3	6,779	1918	\$615,000	2,351	\$261.59			
247	23220	2123 Hanover	Ave	20140212	2	4	3	2,688	1910	\$640,000	2,380	\$268.91			
248	23221	201 Oxford	Cir	20140218	2	4	3	22,285	1954	\$650,000	2,599	\$250.10			
249	23220	1509 West	Ave	20140410	2	4	3	2,723	1921	\$669,800	2,906	\$230.49			
250	23221	10 Tow Path	Cir	20140320	2	4	4	14,985	2001	\$688,000	4,216	\$163.19			
251	23220	1808 Hanover	Ave	20140325	2	4	3	2,880	1903	\$749,000	3,098	\$241.77			
252	23226	306 Roslyn	Rd	20140116	2	4	5	20,295	1937	\$850,000	3,215	\$264.39			
253	23226	6125 Saint Andrews	Cir	20140115	2	4	6	23,919	1946	\$880,000	3,234	\$272.11			
254	23220	2001 Monument	Ave	20140103	3	4	6	4,500	1915	\$950,000	5,396	\$176.06			
255	23221	11 Canterbury	Rd	20140116	2	4	5	24,240	1951	\$1,050,000	3,775	\$278.15			
256	23221	7 Banbury	Rd	20140403	2	4	6	18,242	1935	\$1,150,000	3,775	\$304.64			
257	23226	24 Hampton Hills	Ln	20140304	2	4	4	98,751	1935	\$1,295,000	3,654	\$354.41			
258	23226	5407 Cary Street	Rd	20140130	2	4	16	102,322	1925	\$1,600,000	5,042	\$317.33	All	62	100.0%
										\$5,000	1,179	\$2.28			
										\$1,600,000	5,396	\$354.41			
										\$390,697	2,205	\$158.34			
										\$325,250	1,940	\$173.68			
259	23220	622 China	St	20140331	2	5	4	3,619		\$359,000	2,524	\$142.23			
260	23221	3026 Kensington	Ave	20140325	3	5	3	2,813	1916	\$521,000	2,589	\$201.24			
261	23221	2 Tow Path	Cir	20140401	2	5	4	12,589	2001	\$675,000	2,923	\$230.93			
262	23220	2300 Lakeview	Ave	20140107	3	5	7	15,740	1916	\$852,500	6,432	\$132.54			
263	23221	2 Berkshire	Rd	20140410	2	5	4	24,000	1948	\$935,000	4,315	\$216.69			
264	23221	328 Clovelly	Rd	20140402	2	5	6	44,853	1932	\$975,000	3,960	\$246.21			
265	23220	2220 Monument	Ave	20140227	3	5	5	5,850	1908	\$1,400,000	5,837	\$239.85			
266	23226	6901 Everview	Rd	20140314	1	6	2	7,904	1947	\$160,797	1,820	\$88.35			
<b>All Bedroom Counts</b>															
										\$4,400	677	\$2.28			
										\$1,600,000	6,432	\$470.16			
										\$252,267	1,677	\$130.94			
										\$179,750	1,474	\$129.68			

Source: Dataquick Information Systems; DRA.

**Table A2-4**  
**Single-Family Home Sales**  
**Zip Code 23219**  
**City of Richmond**  
**January 1, 2014 to May 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Total Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
1	23219	109 E Clay St	20130806	2	4	3	2,625	1848	\$164,500	1,408	\$116.83
2	23219	107 E Leigh St	20130225	2	3	3	2,250	1900	\$242,500	2,360	\$102.75
3	23219	111 E Leigh St	20140227	2	4	1	2,500	1900	\$112,500	2,190	\$51.37
4	23219	102 E Leigh St	20130402	2	4	3	3,071	1900	\$105,000	2,680	\$39.18
			Bottom of Range						\$105,000	1,408	\$39.18
			Top of Range						\$242,500	2,680	\$116.83
			Average						\$156,125	2,160	\$77.53
			Median						\$138,500	2,275	\$77.06

Source: Dataquick Information Systems; DRA.

**Table A2-5  
Single-Family Home Sales  
Zip Code 23220  
City of Richmond  
January 1, 2014 to May 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Total Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
1	23220	1408 Winder St	20140218	1	2	1	5,542	1949	\$61,000	720	\$84.72
2	23220	1403 S Meadow St	20140123	1	2	1	7,452	1946	\$64,500	736	\$87.64
3	23220	1906 Blair St	20140314	1	2	1	2,512	1920	\$65,000	707	\$91.94
4	23220	1702 Greenville Ave	20140401	1	2	1	5,189	1941	\$85,000	770	\$110.39
5	23220	1706 Carter St	20140306	1	2	1	5,315	1940	\$90,000	677	\$132.94
6	23220	2319 Idlewood Ave	20140210	2	2	1	1,693	1923	\$110,000	1,146	\$95.99
7	23220	513 Hancock St	20140218	2	2	2	1,622	1925	\$124,000	1,143	\$108.49
8	23220	611.5 S Pine St	20140402	2	2	1	2,475	1890	\$163,000	1,182	\$137.90
9	23220	508 S Pine St	20140304	2	2	2	2,951	2004	\$169,500	1,188	\$142.68
10	23220	1401 Hampton St	20140207	2	2	1	17,912	1941	\$185,000	1,026	\$180.31
11	23220	2225 Maplewood Ave	20140124	2	2	2	2,462	1923	\$259,100	1,819	\$142.44
12	23220	2025 Maplewood Ave	20140116	2	2	1	2,287	1924	\$520,000	1,106	\$470.16
13	23220	617 St Peter St	20140113	2	3	1	1,520	1900	\$170,000	1,710	\$9.94
14	23220	111 Pulliam St	20140224	2	3	2	1,585	1900	\$57,000	1,138	\$50.09
15	23220	1214 W Moore St	20140318	1	3	2	2,963	1962	\$59,000	932	\$63.30
16	23220	419 Catherine St	20140411	2	3	1	597	1900	\$73,000	868	\$84.10
17	23220	1414 W Clay St	20140130	2	3	2	5,537	1905	\$82,500	2,156	\$38.27
18	23220	2928 Seminary Ave	20140210	2	3	2	8,729	1925	\$105,100	1,738	\$60.47
19	23220	1733 Lakeview Ave	20140103	2	3	3	4,681	2005	\$130,000	1,578	\$82.38
20	23220	1815 Lakeview Ave	20140321	1	3	1	5,647	1954	\$145,000	1,200	\$120.83
21	23220	1200 Idlewood Ave	20140221	2	3	3	6,490	1994	\$150,000	1,982	\$75.68
22	23220	1204 S Allen Ave	20140321	1	3	1	5,910	1960	\$150,000	1,153	\$130.10
23	23220	1500 Lakeview Ave	20140106	2	3	2	4,623	1991	\$156,000	1,412	\$110.48
24	23220	307 S Mulberry St	20140114	2	3	3	1,700	1920	\$157,500	1,360	\$115.81
25	23220	1907 Carter St	20140106	1	3	1	4,795	1955	\$159,999	1,027	\$155.79
26	23220	408 Gilmer St	20140321	2	3	2	1,632	1900	\$170,000	1,409	\$120.65
27	23220	303 S Pine St	20140407	2	3	2	1,860	1910	\$171,000	1,584	\$107.95
28	23220	518 W Marshall St	20140102	2	3	2	1,399	1900	\$176,500	1,474	\$119.74
29	23220	119 S Mulberry St	20140306	2	3	2	1,668	1920	\$177,500	1,445	\$122.84
30	23220	23 S Davis Ave	20140131	2	3	2	1,387	1920	\$190,000	1,300	\$146.15
31	23220	506 S Lombardy St	20140408	2	3	3	6,141	2006	\$190,000	1,988	\$95.57
32	23220	411 S Allen Ave	20140325	2	3	3	5,456	2006	\$207,500	1,694	\$122.49
33	23220	304.25 S Cherry St	20140203	2	3	1	2,350	1910	\$209,000	1,480	\$141.22
34	23220	1625 Jacquelin St	20140312	2	3	3	4,628	2006	\$215,000	1,904	\$112.92
35	23220	707 Spottswood Rd	20140402	1	3	1	9,544	1955	\$216,500	1,156	\$187.28
36	23220	13 S Mulberry St	20140304	2	3	3	1,057	1920	\$223,000	1,320	\$168.94
37	23220	513 N Adams St	20140307	2	3	2	4,050	1900	\$233,000	2,794	\$83.39
38	23220	605 Spring St	20140325	1	3	3	741	2003	\$252,100	2,209	\$114.12
39	23220	410 W Clay St	20140403	2	3	3	3,648	1900	\$257,500	2,334	\$110.33
40	23220	709 Spottswood Rd	20140318	1	3	1	9,544	1955	\$265,000	1,156	\$229.24
41	23220	2104 Maplewood Ave	20140331	2	3	2	2,338	1923	\$279,950	1,320	\$212.08
42	23220	8 N Lombardy St	20140113	2	3	2	1,349	1900	\$282,000	1,768	\$159.50
43	23220	2408 Maplewood Ave	20140221	2	3	2	2,695	1922	\$290,000	1,712	\$169.39
44	23220	2417 Kensington Ave	20140228	2	3	1	2,491	1915	\$290,000	1,602	\$181.02
45	23220	108 N Lombardy St	20140327	2	3	2	1,819	1910	\$293,000	1,474	\$198.78
46	23220	106 N Allen Ave	20140319	2	3	2	1,707	1919	\$293,500	1,636	\$179.40
47	23220	2022 W Main St	20140409	2	3	3	3,687	1910	\$295,000	1,786	\$165.17
48	23220	611 S Cherry St	20140212	2	3	3	4,021	2006	\$304,500	2,080	\$146.39
49	23220	2413 Stuart Ave	20140402	2	3	2	2,341	1923	\$316,000	1,616	\$195.54
50	23220	2026 Stuart Ave	20140328	2	3	2	2,975	1920	\$400,000	2,340	\$170.94
51	23220	417 N Davis Ave	20140318	2	3	2	2,047	1914	\$410,000	1,562	\$262.48
52	23220	1116 Floyd Ave	20140214	2	3	3	4,000	1900	\$412,000	2,578	\$159.81
53	23220	1827 Floyd Ave	20140312	2	3	2	2,852	1900	\$435,000	1,946	\$223.54
54	23220	2220 Stuart Ave	20140226	2	3	3	2,400	1915	\$468,500	2,564	\$182.72
55	23220	2015 Park Ave	20140407	2	3	2	2,150	1920	\$489,000	2,422	\$201.90
56	23220	309 N Granby St	20140127	2	3	3	2,000	1912	\$499,950	2,188	\$228.50
57	23220	1215 S Meadow St	20140116	2	3	1	2,112	1925	\$520,000	1,283	\$405.30
58	23220	2023 Rosewood Ave	20140116	2	3	1	2,530	1923	\$520,000	1,302	\$399.39
59	23220	1306 Grove Ave	20140401	2	3	3	2,600	1903	\$535,000	2,674	\$200.07
60	23220	2021 Hanover Ave	20140314	2	3	3	2,674	1910	\$543,200	2,709	\$200.52
61	23220	2201 Hanover Ave	20140411	2	3	3	3,000	1910	\$570,000	2,420	\$235.54
62	23220	203 N Rowland St	20140317	2	3	3	2,520	1900	\$572,400	2,560	\$223.59
63	23220	2422 Grove Ave	20140218	2	3	4	5,040	1910	\$615,000	3,750	\$164.00
64	23220	2510 Hanover Ave	20140318	2	3	4	2,667	1910	\$631,000	2,079	\$303.51
65	23220	2301 Grove Ave	20140328	2	3	3	3,823	1910	\$705,000	3,332	\$211.58
66	23220	2321 Hanover Ave	20140228	2	3	3	3,316	1911	\$714,000	3,174	\$224.95
67	23220	2008 Walker St	20140411	2	4	1	6,000	1924	\$123,000	1,560	\$78.85
68	23220	1502 W Leigh St	20140107	2	4	2	3,000	1905	\$155,000	1,960	\$79.08
69	23220	1708 Lakeview Ave	20140115	2	4	3	3,773	2005	\$182,000	1,768	\$102.94
70	23220	1801 Lakeview Ave	20140409	2	4	2	7,027	1940	\$197,500	1,580	\$125.00
71	23220	305 W Clay St	20140331	2	4	2	2,795	1846	\$210,000	1,786	\$117.58
72	23220	2108 Maplewood Ave	20140328	2	4	3	2,356	1923	\$260,000	1,504	\$172.87
73	23220	6 N Davis Ave	20140331	2	4	2	2,211	1906	\$385,000	2,190	\$175.80
74	23220	104 N Allen Ave	20140203	2	4	4	1,813	1919	\$429,950	2,108	\$203.96
75	23220	2234 W Grace St	20140324	2	4	3	3,673	1908	\$501,900	2,656	\$188.97
76	23220	2021 W Grace St	20140226	2	4	3	3,920	1907	\$559,000	3,116	\$179.40
77	23220	2123 Hanover Ave	20140212	2	4	3	2,688	1910	\$640,000	2,380	\$268.91
78	23220	1509 West Ave	20140410	2	4	3	2,723	1921	\$669,800	2,906	\$230.49
79	23220	1808 Hanover Ave	20140325	2	4	3	2,880	1903	\$749,000	3,098	\$241.77
80	23220	2001 Monument Ave	20140103	3	4	6	4,500	1915	\$950,000	5,396	\$176.06
81	23220	622 China St	20140331	2	5	4	3,619	1915	\$359,000	2,524	\$142.23
82	23220	2300 Lakeview Ave	20140107	3	5	7	15,740	1916	\$852,500	6,432	\$132.54
83	23220	2220 Monument Ave	20140227	3	5	5	5,850	1908	\$1,400,000	5,837	\$239.85
			Bottom of Range						\$17,000	677	\$9.94
			Top of Range						\$1,400,000	6,432	\$470.16
			Average						\$322,885	1,933	\$160.57
			Median						\$257,500	1,710	\$146.39

Source: Dataquik Information Systems; DRA.

**Table A2-6  
Single-Family Home Sales  
Zip Code 23221  
City of Richmond  
January 1, 2014 to May 30, 2014**

No.	Zip Code	Address		Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Total Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
1	23221	3321	Rosewood Ave	20140226	1	2	1	5,600	1954	\$70,500	720	\$97.92
2	23221	3431	Rosewood Ave	20140103	1	2	1	3,765	1939	\$74,001	825	\$89.70
3	23221	3318	Maplewood Ave	20140307	1	2	1	2,885	1930	\$127,000	907	\$140.02
4	23221	22 N	Sheppard St	20140403	2	2	2	1,360	1924	\$237,500	1,161	\$204.57
5	23221	3313	Stuart Ave	20140113	2	2	3	3,266	1920	\$378,000	1,812	\$208.61
6	23221	3118	Garrett St	20140325	2	2	1	8,400	1910	\$395,400	1,391	\$284.26
7	23221	3214	Patterson Ave	20140403	2	2	3	3,550	1919	\$402,000	1,986	\$202.42
8	23221	3424	Grayland Ave	20140114	1	3	1	5,888	1949	\$127,500	1,085	\$117.51
9	23221	3320	Maplewood Ave	20140131	1	3	1	6,325	1960	\$131,456	984	\$133.59
10	23221	3211	Garrett St	20140131	1	3	1	7,821	1952	\$140,000	960	\$145.83
11	23221	4103	Patterson Ave	20140307	2	3	2	8,063	1946	\$195,000	1,356	\$143.81
12	23221	4116	Patterson Ave	20140228	2	3	3	8,791	1947	\$196,255	1,482	\$132.43
13	23221	220	Roseneath Rd	20140121	2	3	1	1,332	1926	\$240,000	1,204	\$199.34
14	23221	3101	French St	20140121	2	3	1	8,400	1945	\$246,500	1,287	\$191.53
15	23221	212	Portland Pl	20140210	2	3	2	20,000	1953	\$250,000	1,854	\$134.84
16	23221	311 N	Cleveland St	20140403	2	3	2	1,569	1921	\$256,000	1,518	\$168.64
17	23221	3121	Rendale Ave	20140404	2	3	2	7,950	1954	\$260,000	1,613	\$161.19
18	23221	3436	Hanover Ave	20140218	2	3	1	2,177	1928	\$281,000	1,296	\$216.82
19	23221	3500	Hanover Ave	20140116	2	3	2	2,073	1929	\$295,000	1,366	\$215.96
20	23221	3507	Grove Ave	20140414	2	3	3	3,250	1985	\$305,000	1,674	\$182.20
21	23221	3121	Stuart Ave	20140214	2	3	1	2,957	1921	\$313,000	1,568	\$199.62
22	23221	3803	Kensington Ave	20140326	2	3	2	9,010	1949	\$347,500	1,874	\$185.43
23	23221	3116	Patterson Ave	20140130	2	3	3	7,100	1922	\$350,000	1,688	\$207.35
24	23221	4512	Bromley Ln	20140324	2	3	3	9,750	1950	\$405,000	1,767	\$229.20
25	23221	4001	Stuart Ave	20140407	2	3	3	8,504	1937	\$450,000	1,869	\$240.77
26	23221	4507	Stuart Ave	20140411	2	3	3	6,750	1953	\$475,000	2,319	\$204.83
27	23221	3104	Sunset Ave	20140214	2	3	4	6,480	1937	\$485,000	2,072	\$234.07
28	23221	105	Berkshire Rd	20140304	2	3	4	21,848	1948	\$765,000	2,406	\$317.96
29	23221	4108	Dover Rd	20140114	2	3	4	23,254	1952	\$831,150	2,398	\$346.60
30	23221	3218	Condie St	20140207	2	4	2	7,303	1949	\$182,500	1,296	\$140.82
31	23221	3007	French St	20140305	2	4	2	8,400	1945	\$197,000	1,509	\$130.55
32	23221	902 S	Belmont Ave	20140115	2	4	2	6,800	1951	\$231,000	1,535	\$150.49
33	23221	3130 W	Grace St	20140113	2	4	1	3,311	1924	\$312,000	1,656	\$188.41
34	23221	3329	Floyd Ave	20140220	2	4	2	4,050	1910	\$321,000	2,128	\$150.85
35	23221	3802	Stuart Ave	20140109	2	4	2	8,160	1946	\$329,500	1,925	\$171.17
36	23221	4506	Hanover Ave	20140304	2	4	3	6,750	1941	\$338,000	1,937	\$174.50
37	23221	4001	Park Ave	20140317	2	4	3	6,061	1953	\$340,000	1,471	\$231.14
38	23221	3104	Kensington Ave	20140204	2	4	2	3,000	1922	\$340,600	1,640	\$207.68
39	23221	3135	Park Ave	20140414	2	4	1	3,550	1917	\$359,950	1,642	\$219.21
40	23221	1404	Pump House Dr	20140402	2	4	3	13,283	1950	\$383,000	2,558	\$149.73
41	23221	3205	Kensington Ave	20140314	2	4	3	3,075	1921	\$400,000	1,942	\$205.97
42	23221	4110	Wythe Ave	20140226	2	4	3	6,392	1990	\$528,000	2,706	\$195.12
43	23221	4305 N	Ashlawn Dr	20140304	2	4	3	7,350	1940	\$540,100	2,432	\$222.08
44	23221	4201	Hanover Ave	20140122	2	4	3	8,500	1938	\$605,000	2,717	\$222.67
45	23221	201	Oxford Cir	20140218	2	4	3	22,285	1954	\$650,000	2,599	\$250.10
46	23221	10	Tow Path Cir	20140320	2	4	4	14,985	2001	\$688,000	4,216	\$163.19
47	23221	11	Canterbury Rd	20140116	2	4	5	24,240	1951	\$1,050,000	3,775	\$278.15
48	23221	7	Banbury Rd	20140403	2	4	6	18,242	1935	\$1,150,000	3,775	\$304.64
49	23221	3026	Kensington Ave	20140325	3	5	3	2,813	1916	\$521,000	2,589	\$201.24
50	23221	2	Tow Path Cir	20140401	2	5	4	12,589	2001	\$675,000	2,923	\$230.93
51	23221	2	Berkshire Rd	20140410	2	5	4	24,000	1948	\$935,000	4,315	\$216.69
52	23221	328	Clovelly Rd	20140402	2	5	6	44,853	1932	\$975,000	3,960	\$246.21
										\$70,500	720	\$89.70
										\$1,150,000	4,315	\$346.60
										\$405,412	1,956	\$195.93
										\$340,300	1,728	\$200.43

Source: Dataquick Information Systems; DRA.

**Table A2-7**  
**Single-Family Home Sales**  
**Zip Code 23222**  
**City of Richmond**  
**January 1, 2014 through June 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.		
1	23222	1408 Winder	St	20140218	1	2	1	5,542	1949	\$61,000	720	\$84.72	
2	23222	1403 S Meadow	St	20140123	1	2	1	7,452	1946	\$64,500	736	\$87.64	
3	23222	1906 Blair	St	20140314	1	2	1	2,512	1920	\$65,000	707	\$91.94	
4	23222	1702 Greenville	Ave	20140401	1	2	1	5,189	1941	\$85,000	770	\$110.39	
5	23222	1706 Carter	St	20140306	1	2	1	5,315	1940	\$90,000	677	\$132.94	
6	23222	2319 Idlewood	Ave	20140210	2	2	1	1,693	1923	\$110,000	1,146	\$95.99	
7	23222	513 Hancock	St	20140218	2	2	2	1,622	1925	\$124,000	1,143	\$108.49	
8	23222	611.5 S Pine	St	20140402	2	2	1	2,475	1890	\$163,000	1,182	\$137.90	
9	23222	508 S Pine	St	20140304	2	2	2	2,951	2004	\$169,500	1,188	\$142.68	
10	23222	1401 Hampton	St	20140207	2	2	1	17,912	1941	\$185,000	1,026	\$180.31	
11	23222	2225 Maplewood	Ave	20140124	2	2	2	2,462	1923	\$259,100	1,819	\$142.44	
12	23222	2025 Maplewood	Ave	20140116	2	2	1	2,287	1924	\$520,000	1,106	\$470.16	
				Bottom of Range							\$61,000	677	\$84.72
				Top of Range							\$520,000	1,819	\$470.16
				Average							\$158,008	1,018	\$148.80
				Median							\$117,000	1,066	\$121.66
13	23222	617 St Peter	St	20140113	2	3	1	1,520	1900	\$17,000	1,710	\$9.94	
14	23222	111 Pulliam	St	20140224	2	3	2	1,585	1900	\$57,000	1,138	\$50.09	
15	23222	1214 W Moore	St	20140318	1	3	2	2,963	1962	\$59,000	932	\$63.30	
16	23222	419 Catherine	St	20140411	2	3	1	597	1900	\$73,000	868	\$84.10	
17	23222	1414 W Clay	St	20140130	2	3	2	5,537	1905	\$82,500	2,156	\$38.27	
18	23222	2928 Seminary	Ave	20140210	2	3	2	8,729	1925	\$105,100	1,738	\$60.47	
19	23222	1733 Lakeview	Ave	20140103	2	3	3	4,681	2005	\$130,000	1,578	\$82.38	
20	23222	1815 Lakeview	Ave	20140321	1	3	1	5,647	1954	\$145,000	1,200	\$120.83	
21	23222	1200 Idlewood	Ave	20140221	2	3	3	6,490	1994	\$150,000	1,982	\$75.68	
22	23222	1204 S Allen	Ave	20140321	1	3	1	5,910	1960	\$150,000	1,153	\$130.10	
23	23222	1500 Lakeview	Ave	20140106	2	3	2	4,623	1991	\$156,000	1,412	\$110.48	
24	23222	307 S Mulberry	St	20140114	2	3	3	1,700	1920	\$157,500	1,360	\$115.81	
25	23222	1907 Carter	St	20140106	1	3	1	4,795	1955	\$159,999	1,027	\$155.79	
26	23222	408 Gilmer	St	20140321	2	3	2	1,632	1900	\$170,000	1,409	\$120.65	
27	23222	303 S Pine	St	20140407	2	3	2	1,860	1910	\$171,000	1,584	\$107.95	
28	23222	518 W Marshall	St	20140102	2	3	2	1,399	1900	\$176,500	1,474	\$119.74	
29	23222	119 S Mulberry	St	20140306	2	3	2	1,668	1920	\$177,500	1,445	\$122.84	
30	23222	23 S Davis	Ave	20140131	2	3	2	1,387	1920	\$190,000	1,300	\$146.15	
31	23222	506 S Lombardy	St	20140408	2	3	3	6,141	2006	\$190,000	1,988	\$95.57	
32	23222	411 S Allen	Ave	20140325	2	3	3	5,456	2006	\$207,500	1,694	\$122.49	
33	23222	304.25 S Cherry	St	20140203	2	3	1	2,350	1910	\$209,000	1,480	\$141.22	
34	23222	1625 Jacquelin	St	20140312	2	3	3	4,628	2006	\$215,000	1,904	\$112.92	
35	23222	707 Spottswood	Rd	20140402	1	3	1	9,544	1955	\$216,500	1,156	\$187.28	
36	23222	13 S Mulberry	St	20140304	2	3	3	1,057	1920	\$223,000	1,320	\$168.94	
37	23222	513 N Adams	St	20140307	2	3	2	4,050	1900	\$233,000	2,794	\$83.39	
38	23222	605 Spring	St	20140325	1	3	3	741	2003	\$252,100	2,209	\$114.12	
39	23222	410 W Clay	St	20140403	2	3	3	3,648	1900	\$257,500	2,334	\$110.33	
40	23222	709 Spottswood	Rd	20140318	1	3	1	9,544	1955	\$265,000	1,156	\$229.24	
41	23222	2104 Maplewood	Ave	20140331	2	3	2	2,338	1923	\$279,950	1,320	\$212.08	
42	23222	8 N Lombardy	St	20140113	2	3	2	1,349	1900	\$282,000	1,768	\$159.50	
43	23222	2408 Maplewood	Ave	20140221	2	3	2	2,695	1922	\$290,000	1,712	\$169.39	
44	23222	2417 Kensington	Ave	20140228	2	3	1	2,491	1915	\$290,000	1,602	\$181.02	
45	23222	108 N Lombardy	St	20140327	2	3	2	1,819	1910	\$293,000	1,474	\$198.78	
46	23222	106 N Allen	Ave	20140319	2	3	2	1,707	1919	\$293,500	1,636	\$179.40	
47	23222	2022 W Main	St	20140409	2	3	3	3,687	1910	\$295,000	1,786	\$165.17	
48	23222	611 S Cherry	St	20140212	2	3	3	4,021	2006	\$304,500	2,080	\$146.39	
49	23222	2413 Stuart	Ave	20140402	2	3	2	2,341	1923	\$316,000	1,616	\$195.54	
50	23222	2026 Stuart	Ave	20140328	2	3	2	2,975	1920	\$400,000	2,340	\$170.94	
51	23222	417 N Davis	Ave	20140318	2	3	2	2,047	1914	\$410,000	1,562	\$262.48	
52	23222	1116 Floyd	Ave	20140214	2	3	3	4,000	1900	\$412,000	2,578	\$159.81	
53	23222	1827 Floyd	Ave	20140312	2	3	2	2,852	1900	\$435,000	1,946	\$223.54	
54	23222	2220 Stuart	Ave	20140226	2	3	3	2,400	1915	\$468,500	2,564	\$182.72	
55	23222	2015 Park	Ave	20140407	2	3	2	2,150	1920	\$489,000	2,422	\$201.90	
56	23222	309 N Granby	St	20140127	2	3	3	2,000	1912	\$499,950	2,188	\$228.50	
57	23222	1215 S Meadow	St	20140116	2	3	1	2,112	1925	\$520,000	1,283	\$405.30	
58	23222	2023 Rosewood	Ave	20140116	2	3	1	2,530	1923	\$520,000	1,302	\$399.39	
59	23222	1306 Grove	Ave	20140401	2	3	3	2,600	1903	\$535,000	2,674	\$200.07	
60	23222	2021 Hanover	Ave	20140314	2	3	3	2,674	1910	\$543,200	2,709	\$200.52	
61	23222	2201 Hanover	Ave	20140411	2	3	3	3,000	1910	\$570,000	2,420	\$235.54	
62	23222	203 N Rowland	St	20140317	2	3	3	2,520	1900	\$572,400	2,560	\$223.59	
63	23222	2422 Grove	Ave	20140218	2	3	4	5,040	1910	\$615,000	3,750	\$164.00	
64	23222	2510 Hanover	Ave	20140318	2	3	4	2,667	1910	\$631,000	2,079	\$303.51	
65	23222	2301 Grove	Ave	20140328	2	3	3	3,823	1910	\$705,000	3,332	\$211.58	
66	23222	2321 Hanover	Ave	20140228	2	3	3	3,316	1911	\$714,000	3,174	\$224.95	
				Bottom of Range							\$17,000	868	\$9.94
				Top of Range							\$714,000	3,750	\$405.30
				Average							\$301,476	1,840	\$160.85
				Median							\$261,250	1,702	\$159.66
67	23222	2008 Walker	St	20140411	2	4	1	6,000	1924	\$123,000	1,560	\$78.85	
68	23222	1502 W Leigh	St	20140107	2	4	2	3,000	1905	\$155,000	1,960	\$79.08	
69	23222	1708 Lakeview	Ave	20140115	2	4	3	3,773	2005	\$182,000	1,768	\$102.94	
70	23222	1801 Lakeview	Ave	20140409	2	4	2	7,027	1940	\$197,500	1,580	\$125.00	
71	23222	305 W Clay	St	20140331	2	4	2	2,795	1846	\$210,000	1,786	\$117.58	
72	23222	2108 Maplewood	Ave	20140328	2	4	3	2,356	1923	\$260,000	1,504	\$172.87	



**Table A2-7**  
**Single-Family Home Sales**  
**Zip Code 23222**  
**City of Richmond**  
**January 1, 2014 through June 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
73	23222	6 N Davis Ave	20140331	2	4	2	2,211	1906	\$385,000	2,190	\$175.80
74	23222	104 N Allen Ave	20140203	2	4	4	1,813	1919	\$429,950	2,108	\$203.96
75	23222	2234 W Grace St	20140324	2	4	3	3,673	1908	\$501,900	2,656	\$188.97
76	23222	2021 W Grace St	20140226	2	4	3	3,920	1907	\$559,000	3,116	\$179.40
77	23222	2123 Hanover Ave	20140212	2	4	3	2,688	1910	\$640,000	2,380	\$268.91
78	23222	1509 West Ave	20140410	2	4	3	2,723	1921	\$669,800	2,906	\$230.49
79	23222	1808 Hanover Ave	20140325	2	4	3	2,880	1903	\$749,000	3,098	\$241.77
80	23222	2001 Monument Ave	20140103	3	4	6	4,500	1915	\$950,000	5,396	\$176.06
81	23222	622 China St	20140331	2	5	4	3,619		\$359,000	2,524	\$142.23
82	23222	2220 Monument Ave	20140227	3	5	5	5,850	1908	\$1,400,000	5,837	\$239.85
			Bottom of Range						\$123,000	1,504	\$78.85
			Top of Range						\$1,400,000	5,837	\$268.91
			Average						\$485,697	2,648	\$170.23
			Median						\$407,475	2,285	\$175.93
			Bottom of Range						\$17,000	677	\$9.94
			Top of Range						\$1,400,000	5,837	\$470.16
			Average						\$316,426	1,878	\$160.92
			Median						\$254,800	1,702	\$151.09

Source: Dataquik Information Systems; DRA.

**Table A2-8  
Single-Family Home Sales  
Zip Code 23224  
City of Richmond  
January 1, 2014 through June 30, 2014**

No.	Zip Code	Address		Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.		
<b>Two Bedroom Units</b>														
1	23224	2101	Ingram Ave	20140219	1	2	1	4,701	1910	\$5,000	860	\$5.81		
2	23224	2511	Webber Ave	20140102	1	2	2	6,350	1920	\$13,609	896	\$15.19		
3	23224	2313	Wright Ave	20140321	1	2	1	6,850	1949	\$16,985	679	\$25.01		
4	23224	2001	Edwards Ave	20140318	2	2	1	4,719	1921	\$17,500	1,520	\$11.51		
5	23224	3012	Decatur St	20140325	1	2	1	5,181	1924	\$18,000	914	\$19.69		
6	23224	1125	Hollister Ave	20140128	1	2	1	9,100	1950	\$22,380	888	\$25.20		
7	23224	3414	Decatur St	20140124	1	2	1	5,115	1925	\$23,100	791	\$29.20		
8	23224	112	E 31St St	20140227	1	2	1	5,792	1915	\$24,124	1,112	\$21.69		
9	23224	1716	Yale Ave	20140102	1	2	1	9,750	1948	\$25,000	720	\$34.72		
10	23224	918	E 16Th St	20140221	2	2	1	4,000	1948	\$25,000	1,080	\$23.15		
11	23224	2504	Warwick Ave	20140326	1	2	1	6,850	1910	\$25,000	722	\$34.63		
12	23224	1725	Yale Ave	20140203	1	2	1	9,100	1948	\$27,390	830	\$33.00		
13	23224	2905	Midlothian Tpke	20140411	2	2	2	4,500	1920	\$28,500	1,394	\$20.44		
14	23224	3208	Lawson St	20140306	1	2	1	3,960	1925	\$29,000	972	\$29.84		
15	23224	221	E 36Th St	20140121	1	2	1	5,715	1922	\$30,000	968	\$30.99		
16	23224	5608	Warwick Rd	20140131	1	2	1	11,587	1950	\$31,000	678	\$45.72		
17	23224	1604	Dinwiddie Ave	20140212	1	2	1	9,486	1939	\$35,000	900	\$38.89		
18	23224	3509	Chapel Dr	20140228	1	2	1	9,000	1953	\$35,050	1,053	\$33.29		
19	23224	1313	Chambers St	20140203	1	2	1	6,250	1947	\$36,480	912	\$40.00		
20	23224	232	E 14Th St	20140130	1	2	1	2,976	1926	\$41,500	839	\$49.46		
21	23224	2503	Afton Ave	20140318	1	2	1	6,850	1946	\$42,762	852	\$50.19		
22	23224	4837	Burtwood Ln	20140325	1	2	2	30,753	1914	\$45,000	1,092	\$41.21		
23	23224	236	E 14Th St	20140102	1	2	1	2,852	1928	\$45,000	790	\$56.96		
24	23224	1318	Evert Ave	20140203	1	2	1	9,800	1950	\$47,000	908	\$51.76		
25	23224	3107	Midlothian Tpke	20140318	2	2	2	4,200	1920	\$49,000	1,400	\$35.00		
26	23224	3400	Shaw Ln	20140327	1	2	1	26,005	1954	\$62,000	1,281	\$48.40		
27	23224	2110	Willoughby Ct	20140314	1	2	1	9,898	1982	\$93,068	864	\$107.72		
					Bottom of Range							\$5,000	678	\$5.81
					Top of Range							\$93,068	1,520	\$107.72
					Average							\$33,091	960	\$35.51
					Median							\$29,000	900	\$33.29
<b>Three Bedroom Units</b>														
28	23224	1419	Drewry St	20140324	1	3	1	6,358	1950	\$4,400	752	\$5.85		
29	23224	2307	Harwood St	20140313	1	3	1	6,542	1939	\$10,000	998	\$10.02		
30	23224	2405	Wright Ave	20140219	1	3	1	6,850	1936	\$11,800	1,225	\$9.63		
31	23224	2854	Hull St	20140411	2	3	1	5,181	1910	\$14,000	1,250	\$11.20		
32	23224	1410	Bowen St	20140218	2	3	2	7,163	1946	\$17,000	1,548	\$10.98		
33	23224	3154	Lawson St	20140307	1	3	1	3,960	1920	\$17,500	1,068	\$16.39		
34	23224	1322	Columbia St	20140410	1	3	1	7,500	1912	\$18,000	1,438	\$12.52		
35	23224	1425	Overlook St	20140214	2	3	2	7,000	1941	\$22,119	1,325	\$16.69		
36	23224	115	E 15Th St	20140328	2	3	2	4,130	1916	\$23,000	1,760	\$13.07		
37	23224	2904	Decatur St	20140103	1	3	1	5,181	1928	\$23,299	1,040	\$22.40		
38	23224	3513	Lawson St	20140310	1	3	1	5,280	1934	\$24,000	858	\$27.97		
39	23224	2119	Dinwiddie Ave	20140113	1	3	2	6,720	1925	\$25,000	1,134	\$22.05		
40	23224	1721	Ingram Ave	20140221	1	3	2	4,719	1928	\$26,300	1,152	\$22.83		
41	23224	1606	Gunn St	20140116	1	3	1	6,600	1950	\$36,000	888	\$40.54		
42	23224	3534	Chapel Dr	20140221	1	3	1	10,978	1950	\$43,000	1,092	\$39.38		
43	23224	2410	Richdale Rd	20140331	1	3	1	14,408	1953	\$45,000	924	\$48.70		
44	23224	2718	Clearfield St	20140115	1	3	2	11,250	1977	\$45,000	1,120	\$40.18		
45	23224	2401	Wright Ave	20140307	2	3	3	10,275	1915	\$45,000	1,636	\$27.51		
46	23224	2349	Sara Ln	20140127	1	3	1	9,548	1982	\$45,435	1,120	\$40.57		
47	23224	2100	Royall Ave	20140207	1	3	1	6,850	1955	\$48,000	1,014	\$47.34		
48	23224	4248	N Kinsley Ave	20140206	1	3	1	10,400	1954	\$48,500	1,009	\$48.07		
49	23224	3100	Laurelbrook Dr	20140102	2	3	2	12,545	1948	\$49,410	1,491	\$33.14		
50	23224	1608	Albany Ave	20140331	1	3	2	4,800	1952	\$50,000	1,288	\$38.82		
51	23224	2104	Halifax Ave	20140108	1	3	1	7,079	1955	\$50,000	1,014	\$49.31		
52	23224	5324	Linwood Ave	20140206	1	3	1	14,810	1957	\$52,608	1,170	\$44.96		
53	23224	919	Arizona Ct	20140110	1	3	2	34,543	1962	\$55,000	1,479	\$37.19		
54	23224	2418	Royall Ave	20140325	2	3	2	6,850	1915	\$58,168	1,518	\$38.32		
55	23224	5616	Kendall Rd	20140228	1	3	1	13,465	1956	\$60,000	1,054	\$56.93		
56	23224	3909	Larchmont Ln	20140331	2	3	2	6,760	1942	\$62,000	1,224	\$50.65		
57	23224	925	Circlewood Dr	20140226	1	3	3	16,188	1955	\$63,202	1,618	\$39.06		
58	23224	1006	E 17Th St	20140310	2	3	1	4,908	1947	\$64,604	1,476	\$43.77		
59	23224	1901	Porter St	20140321	2	3	2	4,054	1994	\$65,206	1,446	\$45.09		
60	23224	5820	Snead Rd	20140319	1	3	2	17,536	1960	\$65,676	1,569	\$41.86		
61	23224	3349	Chapel Dr	20140228	1	3	1	9,703	1950	\$68,900	1,113	\$61.90		
62	23224	1805	Pamworth Ln	20140203	1	3	1	13,396	1978	\$70,000	1,029	\$68.03		
63	23224	800	Bedrock Ln	20140304	1	3	1	32,209	1983	\$73,000	1,050	\$69.52		
64	23224	2303	Warwick Ave	20140224	2	3	2	6,850	1948	\$75,000	1,348	\$55.64		
65	23224	1417	Decatur St	20140207	2	3	2	2,015	1920	\$78,000	1,840	\$42.39		
66	23224	1315	Columbia St	20140310	2	3	2	7,500	1924	\$78,892	1,664	\$47.41		
67	23224	2105	Dinwiddie Ave	20140325	1	3	1	4,800	1936	\$79,773	792	\$100.72		
68	23224	608	Woodstock Rd	20140410	1	3	2	27,901	1948	\$85,587	1,282	\$66.76		
69	23224	2002	Halifax Ave	20140320	1	3	1	5,899	1941	\$95,892	936	\$102.45		
70	23224	2506	Webber Ave	20140220	1	3	1	6,350	1961	\$99,942	864	\$115.67		
71	23224	1224	Broad Rock Blvd	20140103	1	3	2	13,264	1949	\$100,000	1,186	\$84.32		
72	23224	2211	Wright Ave	20140228	1	3	1	6,850	1964	\$105,000	953	\$110.18		
73	23224	3204	Lawson St	20140116	2	3	2	7,920	1925	\$105,950	1,675	\$63.25		
74	23224	1049	Newkirk Dr	20140414	1	3	2	17,500	1956	\$122,000	1,248	\$97.76		
75	23224	15	Weaver Ct	20140219	1	3	1	12,550	1979	\$130,884	1,598	\$81.90		
76	23224	1621	Stockton St	20140325	2	3	2	4,950	1916	\$148,105	1,853	\$79.93		
77	23224	1808	Boston Ave	20140205	2	3	2	3,000	1922	\$149,950	1,160	\$129.27		
78	23224	5815	Warwick Rd	20140124	1	3	2	27,138	2005	\$195,715	1,329	\$147.26		

**Table A2-8**  
**Single-Family Home Sales**  
**Zip Code 23224**  
**City of Richmond**  
**January 1, 2014 through June 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
			Bottom of Range						\$4,400	752	\$5.85
			Top of Range						\$195,715	1,853	\$147.26
			Average						\$61,781	1,247	\$50.54
			Median						\$55,000	1,186	\$43.77
<b>Four Bedroom Units</b>											
79	23224	1427 Porter St	20140318	3	4	4	3,050	2006	\$5,000	2,190	\$2.28
80	23224	2120 Joplin Ave	20140407	2	4	2	5,586	1920	\$10,500	1,848	\$5.68
81	23224	3208 Midlothian Tpke	20140306	2	4	2	5,056	1928	\$15,100	1,500	\$10.07
82	23224	2821 Burfoot St	20140220	2	4	2	3,584	1910	\$16,000	1,536	\$10.42
83	23224	9 E 19Th St	20140130	2	4	2	2,837	1920	\$17,050	1,179	\$14.46
84	23224	3617 Chapel Dr	20140102	2	4	2	10,056	1950	\$42,000	1,291	\$32.53
85	23224	3903 Larchmont Ln	20140409	2	4	1	6,760	1942	\$42,500	1,306	\$32.54
86	23224	5206 Weatherford Rd	20140224	2	4	2	12,750	1956	\$50,000	1,772	\$28.22
87	23224	2201 Hey Rd	20140127	2	4	2	61,420	1938	\$65,000	1,260	\$51.59
88	23224	1432 Talbert Dr	20140113	2	4	2	14,600	1945	\$65,000	1,672	\$38.88
89	23224	52 E 32Nd St	20140312	2	4	2	3,904	1932	\$75,000	1,452	\$51.65
			Bottom of Range						\$5,000	1,179	\$2.28
			Top of Range						\$75,000	2,190	\$51.65
			Average						\$36,650	1,546	\$25.30
			Median						\$42,000	1,500	\$28.22
<b>All Units</b>											
			Bottom of Range						\$4,400	678	\$2.28
			Top of Range						\$195,715	2,190	\$147.26
			Average						\$49,971	1,197	\$42.86
			Median						\$45,000	1,134	\$38.89

Source: Dataquick Information Systems; DRA.

**Table A2-9**  
**Single-Family Home Sales**  
**Zip Code 23226**  
**City of Richmond**  
**January 1, 2014 through June 30, 2014**

No.	Zip Code	Address	Sale Date	No. of Stories	No. of Bedrooms	No. of Baths	Lot Size (Sq. Ft.)	Year Built	Sales Price	Unit Sq. Ft.	Price Per Sq. Ft.
1	23226	5323 Stokes Ln	20140114	1	2	1	6,185	1967	\$85,000	1,000	\$85.00
2	23226	513 Granite Ave	20140414	2	2	1	10,000	1946	\$239,500	1,441	\$166.20
3	23226	608 Somerset Ave	20140113	2	2	2	5,920	1938	\$324,000	1,445	\$224.22
4	23226	5312 Marian St	20140109	1	3	2	6,116	1966	\$128,731	1,060	\$121.44
5	23226	508 Westview Ave	20140327	1	3	1	10,216	1951	\$149,900	1,087	\$137.90
6	23226	614 Maple Ave	20140409	2	3	2	9,664	1945	\$158,361	1,468	\$107.88
7	23226	401 Granite Ave	20140414	2	3	1	10,868	1945	\$165,000	1,095	\$150.68
8	23226	6409 Patterson Ave	20140403	2	3	2	8,070	1951	\$165,000	1,633	\$101.04
9	23226	4719 Leonard Pkwy	20140203	1	3	1	5,633	1940	\$185,000	933	\$198.29
10	23226	6722 Hanover Ave	20140404	1	3	1	7,500	1952	\$185,000	944	\$195.97
11	23226	6515 Hanover Ave	20140414	1	3	1	7,638	1950	\$199,000	959	\$207.51
12	23226	509 Chantecleer Ave	20140212	1	3	2	8,356	1967	\$210,000	1,540	\$136.36
13	23226	4815 Leonard Pkwy	20140407	1	3	1	6,271	1953	\$215,000	1,048	\$205.15
14	23226	4809 Hanover Ave	20140408	2	3	2	6,750	1951	\$240,000	1,313	\$182.79
15	23226	5706 Bromley Ln	20140411	2	3	2	8,970	1941	\$250,100	1,615	\$154.86
16	23226	810 Pepper Ave	20140103	1	3	1	8,000	1937	\$259,000	1,337	\$193.72
17	23226	4612 Bromley Ln	20140228	1	3	2	8,125	1951	\$272,000	1,262	\$215.53
18	23226	4601 Stuart Ave	20140109	2	3	2	7,459	1951	\$299,000	1,525	\$196.07
19	23226	6524 Kensington Ave	20140411	2	3	1	8,500	1948	\$300,000	1,318	\$227.62
20	23226	4624 Leonard Pkwy	20140204	2	3	2	7,800	1939	\$404,500	1,914	\$211.34
21	23226	10 Lexington Rd	20140219	2	3	3	7,000	1936	\$500,000	1,904	\$262.61
22	23226	206 Tuckahoe Blvd	20140121	2	3	3	11,100	1941	\$575,000	3,114	\$184.65
23	23226	721 Pepper Ave	20140221	1	4	2	24,745	1953	\$155,271	1,864	\$83.30
24	23226	4806 Bromley Ln	20140401	2	4	2	7,071	1946	\$196,000	1,431	\$136.97
25	23226	4708 Grove Ave	20140410	2	4	1	6,500	1947	\$240,000	1,200	\$200.00
26	23226	5811 Guthrie Ave	20140203	2	4	2	13,293	1947	\$265,000	1,392	\$190.37
27	23226	4729 Patterson Ave	20140414	2	4	2	8,550	1946	\$270,000	1,448	\$186.46
28	23226	4815 Bromley Ln	20140113	2	4	2	8,836	1950	\$301,000	1,367	\$220.19
29	23226	4703 Patterson Ave	20140124	2	4	3	17,500	1940	\$384,000	2,424	\$158.42
30	23226	4600 Kensington Ave	20140129	2	4	3	7,459	1915	\$399,000	2,342	\$170.37
31	23226	4644 Kensington Ave	20140324	2	4	3	10,125	1951	\$465,000	2,067	\$224.96
32	23226	354 Albemarle Ave	20140115	2	4	3	7,000	2005	\$565,000	2,938	\$192.31
33	23226	337 Lexington Rd	20140321	2	4	3	6,779	1918	\$615,000	2,351	\$261.59
34	23226	306 Roslyn Rd	20140116	2	4	5	20,295	1937	\$850,000	3,215	\$264.39
35	23226	6125 Saint Andrews Cir	20140115	2	4	6	23,919	1946	\$880,000	3,234	\$272.11
36	23226	24 Hampton Hills Ln	20140304	2	4	4	98,751	1935	\$1,295,000	3,654	\$354.41
37	23226	5407 Cary Street Rd	20140130	2	4	16	102,322	1925	\$1,600,000	5,042	\$317.33
38	23226	6901 Everview Rd	20140314	1	6	2	7,904	1947	\$160,797	1,820	\$88.35
			Bottom of Range						\$85,000	933	\$83.30
			Top of Range						\$1,600,000	5,042	\$354.41
			Average						\$372,373	1,809	\$189.17
			Median						\$262,000	1,458	\$193.01

Source: Dataquik Information Systems; DRA.

**Table A2-10  
Vacant Residential Land Sales  
City of Richmond  
January 1, 2013 to May 30, 2014**

No.	Zip Code	Address	Assessor's Parcel Number	Zoning	Sale Date	Sales Price	Lot Size (Sq. Ft.)	Price Per Sq. Ft.
1	23219	261 S 12Th	St E0000052021	B-4	20131114	\$17,000	31,336	\$0.54
2	23219	537 N 2Nd	St N0000039041	B-2	20140131	\$295,000	11,476	\$25.71
3	23219	1409 E Main	St E0000087005	B-4	20140108	\$610,000	11,470	\$53.18
4	23219	1407 E Main	St E0000087004	B-4	20140108	\$3,850,000	42,560	\$90.46
5	23220	1010 N Meadow	St N0001097001	M-1	20131118	\$1,200,001	28,789	\$41.68
6	23221	3517 Grove	Ave W0001602081	R-48	20130731	\$1,725,000	30,908	\$55.81
7	23222	1606 Matthews	St N0000339006	R-73	20130304	\$45,000	42,864	\$1.05
8	23223	1403 N 26Th	St E0000714018	B-2	20130624	\$550	17,314	\$0.03
9	23223	2926 P	St E0000569016	B-2	20130924	\$25,000	63,114	\$0.40
10	23223	1100 N 30Th	St E0000568014	B-2	20131015	\$6,000	12,854	\$0.47
11	23223	1921 Carrington	St E0000327001	R-63	20140210	\$64,900	92,749	\$0.70
12	23223	1619 N 28Th	St E0000951044	B-2	20131205	\$47,300	54,450	\$0.87
13	23223	2414 Venable	St E0000470020	R-63	20131118	\$13,588	11,248	\$1.21
14	23223	2902 E Leigh	St E0000573036	R-63	20130722	\$52,500	12,752	\$4.12
14	23223	3054 Nine Mile	Rd E0000953023	B-2	20130820	\$600,000	142,545	\$4.21
15	23223	2620 Nine Mile	Rd E0000713016	B-2	20130925	\$610,000	39,111	\$15.60
16	23223	3508 E Richmond	Rd E0001763113	R-53	20130409	\$8,277,701	10,994	\$752.93
17	23224	3616 E Broad Rock	Rd C0060059008	B-2	20131003	\$12,500	44,431	\$0.28
18	23224	108 Brandon	Rd C0060354010	Os	20130913	\$12,500	43,648	\$0.29
19	23224	1304 Hull	St S0000118009	B-2	20131216	\$47,300	48,218	\$0.98
20	23224	1807 Jefferson Davis	Hwy S0071527004	B-3	20130529	\$50,000	35,150	\$1.42
21	23224	1809 Jefferson Davis	Hwy S0071527005	B-3	20130529	\$25,000	16,228	\$1.54
22	23224	1817 Jefferson Davis	Hwy S0071527006	B-3	20130529	\$23,662	13,467	\$1.76
23	23224	1805 Jefferson Davis	Hwy S0071527003	B-3	20130529	\$47,300	19,116	\$2.47
24	23224	900 Bainbridge	St S0000059006	R-63	20131122	\$47,300	18,348	\$2.58
25	23224	600 Stockton	St S0000140003	B-7	20131101	\$56,116	17,008	\$3.30
26	23224	1205 Jefferson Davis	Hwy S0000767026	B-3	20130624	\$99,750	11,533	\$8.65
27	23224	800 Semmes	Ave S0000018002	R-02	20131115	\$610,000	42,510	\$14.35
28	23224	221 E 11Th	St S0000145007A	R-7	20140102	\$300,000	15,090	\$19.88
29	23224	416 W 12Th	St S0000089001	B-6	20130611	\$300,000	14,751	\$20.34
30	23224	600 Cowardin	Ave S0000250001	B-3	20130507	\$550,000	16,664	\$33.01
31	23224	608 Cowardin	Ave S0000250022	B-3	20130507	\$1,200,000	28,605	\$41.95
32	23225	6541 Everglades	Dr C0051094016	B-3	20131017	\$90,000	108,900	\$0.83
33	23225	1800 Stonewall	Ave S0000250010	B-3	20130507	\$162,000	11,161	\$14.51
34	23230	3100 N Boulevard	N0001316051	Multiple	20131122	\$135,000	30,831	\$4.38
35	23234	3022 Jefferson Davis	Hwy S0080629003	Os	20131220	\$81,000	19,284	\$4.20
			Bottom of Range			\$550	10,994	\$0.03
			Top of Range			\$8,277,701	142,545	\$752.93
			Average			\$591,360	33,652	\$34.05
			Median			\$72,950	23,945	\$3.71

Source: Dataquick Information Systems; DRA.

**Table A2-11  
Multi-Family Property Sales  
City of Richmond  
January 1, 2014 through June 30, 2014**

No.	Zip Code	Address			Sale Date	No. of Stories	No. of Units	Zoning	Lot Size (Sq. Ft.)	Year Built	Sales Price	Total Sq. Ft.	Ave. Unit Size	Price Per Unit
1	23225	1301	Greenmoss	Dr	20120904	2	338	Multiple	1,046,747	1975	\$19,550	297,968	882	\$58
2	23225	6901	Carnation	St	20140313	2	128	R-3	348,044	1984	\$7,720,000	129,978	1,015	\$60,313
3	23224	4890	Warwick	Rd	20120109	2	49	R-4	158,210	2005	\$1,800,000	25,600	522	\$36,735
4	23224	2200	Chateau	Dr	20131219	2	160	Multiple	639,896	1969	\$3,701,250	149,520	935	\$23,133
5	23224	3273	Snead	Ct	20130620	2	132	R-48	432,986	1971	\$3,369,522	111,664	846	\$25,527
6	23234	2701	Pompey Springs	Rd	20130716	1	168	R-48	512,266	1966	\$4,841,000	134,400	800	\$28,815
7	23234	3219	Glenan	Dr	20131108	2	116	Multiple	557,394	1968	\$3,175,000	128,064	1,104	\$27,371
8	23219	1409	E Cary	St	20120606	3	16	B-5	4,356	1910	\$1,751,986	13,530	846	\$109,499
9	23219	1413	E Cary	St	20120606	3	4	B-5	3,920	1910	\$874,050	6,750	1,688	\$218,513
10	23219	1309	E Main	St	20130711	4	4	B-4	21,344	1870	\$3,900,000	93,457	23,364	\$975,000
11	23223	1812	E Franklin	St	20120724	2	1	B-5	10,875	1920	\$675,000	22,576	22,576	\$675,000
12	23223	1815	E Franklin	St	20120920	2	1	M-1	4,991	1920	\$100,000	9,920	9,920	\$100,000
13	23223	2308	M	St	20131025	2	4	R-63	6,660	1900	\$747,500	7,534	1,884	\$186,875
14	23223	811	Mosby	St	20130115	2	6	R-63	6,719	1963	\$260,000	4,222	704	\$43,333
15	23223	905	N 26Th	St	20130523	2	10	R-63	30,500	1962	\$1,416,434	13,230	1,323	\$141,643
16	23223	1224	N 28Th	St	20120626	3	1	R-63	32,186	1940	\$300,000	32,875	32,875	\$300,000
17	23223	312	N 33Rd	St	20140221	3	35	R-63	21,780	1904	\$8,273,000	29,654	847	\$236,371
18	23223	1903	Whitcomb	St	20130401	2	32	R-53	40,920	1965	\$800,000	22,320	698	\$25,000
19	23223	1909	Whitcomb	St	20130401	2	32	R-53	43,560	1966	\$800,000	21,344	667	\$25,000
20	23219	8	E Broad	St	20131025	4	4	B-4	2,554	1915	\$345,737	8,937	2,234	\$86,434
21	23220	404	W Broad	St	20120720	3	2	B-4	2,417	1920	\$190,000	4,962	2,481	\$95,000
22	23222	2419	Barton	Ave	20130430	3	6	R-53	7,500	1930	\$270,000	5,823	971	\$45,000
23	23220	1322	W Broad	St	20130513	4	1	M-1	6,002	1912	\$1,025,000	30,632	30,632	\$1,025,000
24	23222	401	E Brookland Park	Blvd	20140228	2	26	R-48	34,889	1967	\$2,670,000	16,794	646	\$102,692
25	23222	1221	E Brookland Park	Blvd	20131223	4	77	R-5	114,015	1909	\$600,000	170,176	2,210	\$7,792
26	23227	3207	Chamberlayne	Ave	20130329	2	5	R-48	20,059	1958	\$875,000	3,200	640	\$175,000
27	23227	3211	Chamberlayne	Ave	20130329	3	60	R-48	75,000	1961	\$875,000	73,641	1,227	\$14,583
28	23227	3215	Chamberlayne	Ave	20120627	3	27	R-48	27,523	1986	\$1,014,000	11,592	429	\$37,556
29	23227	3403	Chamberlayne	Ave	20120217	2	28	R-48	35,918	1972	\$532,100	18,442	659	\$19,004
30	23230	3227	W Leigh	St	20130619	3	1	M-1	103,576	1941	\$1,790,000	98,606	98,606	\$1,790,000
31	23230	1716	Summit	Ave	20130814	2	1	M-1	56,277	1928	\$3,500,000	50,034	50,034	\$3,500,000
32	23230	3122	Norfolk	St	20120831	1	1	M-1	56,250	1936	\$169,400	50,480	50,480	\$169,400
33	23227	3616	Chamberlayne	Ave	20120627	2	22	R-48	23,350	1978	\$1,014,000	9,968	453	\$46,091
34	23222	604	Henrico	Blvd	20120302	2	144	R-4	208,598	1966	\$3,400,000	116,252	807	\$23,611
35	23227	3814	Chamberlayne	Ave	20120629	2	20	R-48	23,350	1979	\$800,000	8,904	445	\$40,000
36	23227	3810	Chamberlayne	Ave	20130408	3	18	R-48	23,350	1966	\$935,000	18,399	1,022	\$51,944
37	23227	3807	Chamberlayne	Ave	20131213	3	20	R-48	25,000	1963	\$1,100,000	19,971	999	\$55,000
38	23227	3809	Chamberlayne	Ave	20131213	2	20	R-48	25,000	1971	\$1,100,000	11,184	559	\$55,000
39	23227	3920	Chamberlayne	Ave	20121217	2	27	R-48	23,341	1960	\$876,750	14,960	554	\$32,472
40	23227	3918	Chamberlayne	Ave	20121217	2	27	R-48	23,342	1962	\$876,750	14,912	552	\$32,472
41	23227	3914	Chamberlayne	Ave	20120629	2	20	R-48	23,350	1978	\$800,000	8,960	448	\$40,000
42	23227	3910	Chamberlayne	Ave	20120906	2	18	R-48	70,050	1973	\$1,300,000	33,113	1,840	\$72,222
43	23227	4218	Chamberlayne	Ave	20120511	2	10	R-48	13,410	1965	\$1,086,750	7,084	708	\$108,675
44	23227	4216	Chamberlayne	Ave	20120511	2	20	R-48	26,820	1974	\$1,086,750	13,504	675	\$54,338
45	23227	4219	Chamberlayne	Ave	20120110	2	6	R-48	8,260	1948	\$190,000	4,108	685	\$31,667
46	23227	4217	Chamberlayne	Ave	20140408	2	6	R-48	8,260	1947	\$388,000	4,596	766	\$64,667
47	23227	4300	Chamberlayne	Ave	20120511	2	16	R-48	33,525	1960	\$1,086,750	14,144	884	\$67,922
48	23227	4306	Chamberlayne	Ave	20120426	2	8	R-48	11,171	1932	\$150,000	5,688	711	\$18,750
49	23227	4904	Chamberlayne	Ave	20130716	2	12	R-6	15,000	2004	\$290,100	10,122	844	\$24,175
50	23227	4320	Old Brook	Rd	20130701	3	60	R-48	124,338	1946	\$5,500,000	51,946	866	\$91,667
51	23227	4313	Chamberlayne	Ave	20130701	3	60	R-48	130,411	1946	\$5,500,000	51,946	866	\$91,667
52	23227	4800	Old Brook	Rd	20130701	2	96	R-48	197,024	1946	\$5,500,000	88,864	926	\$57,292
53	23227	4904	Old Brook	Rd	20130204	3	18	R-48	24,655	1948	\$630,000	15,534	863	\$35,000
54	23222	4301	North	Ave	20140228	2	28	R-48	33,889	1963	\$2,670,000	20,462	731	\$95,357
55	23225	2112	Riverside	Dr	20120820	3	45	R-73	29,955	1961	\$2,350,000	43,704	971	\$52,222
56	23225	2304	Riverside	Dr	20120820	3	21	R-53	25,974	1962	\$2,350,000	16,296	776	\$111,905
57	23224	2701	Midlothian	Tpke	20120503	2	13	R-53	17,396	1964	\$440,000	9,118	701	\$33,846
58	23225	10	W 27Th	St	20120503	2	9	R-53	13,365	1967	\$440,000	6,562	729	\$48,889
59	23225	4060	Forest Hill	Ave	20121022	2	16	R-53	21,000	2005	\$725,000	11,562	723	\$45,313
60	23224	1607	Jefferson Davis	Hwy	20120912	2	16	B-3	14,993	1915	\$23,000	2,791	174	\$1,438
61	23234	3601	Jefferson Davis	Hwy	20121119	2	16	B-3	20,351	1968	\$236,250	8,376	524	\$14,766
62	23219	718	E Franklin	St	20130625	12	30	B-4	23,199	1913	\$3,388,789	167,976	5,599	\$112,960
63	23219	4	N 4Th	St	20121210	4	4	B-4	20,862	1951	\$2,600,000	49,730	12,433	\$650,000
64	23219	306	E Grace	St	20121129	3	3	B-4	4,006	1928	\$485,000	16,016	5,339	\$161,667
65	23219	6	N 1St	St	20130507	2	2	B-3	3,229	1900	\$595,000	5,892	2,946	\$297,500
66	23220	115	W Broad	St	20130508	4	1	B-4	7,846	1915	\$1,676,100	31,416	31,416	\$1,676,100
67	23220	407	S Cherry	St	20120206	3	1	R-7	7,462	1890	\$660,000	17,319	17,319	\$660,000
68	23220	321	W Franklin	St	20120221	3	4	R-03	6,844	1886	\$610,000	9,155	2,289	\$152,500
69	23220	417	W Grace	St	20120913	3	3	B-4	2,874	1919	\$363,000	5,415	1,805	\$121,000
70	23220	1106	W Main	St	20140131	2	1	B-3	8,030	1900	\$1,315,000	7,560	7,560	\$1,315,000
71	23220	1648	W Grace	St	20120604	3	6	R-48	7,829	1915	\$364,500	5,724	954	\$60,750
72	23220	1831	Monument	Ave	20120918	3	6	R-6	7,500	1908	\$715,000	6,250	1,042	\$119,167
73	23220	1842	Monument	Ave	20120904	3	6	R-6	4,800	1910	\$455,000	3,983	664	\$75,833
74	23220	2005	Monument	Ave	20121113	3	5	R-6	4,500	1904	\$525,000	5,164	1,033	\$105,000
75	23220	2042	Park	Ave	20130315	3	9	R-6	3,547	1916	\$1,075,000	9,105	1,012	\$119,444
76	23220	801	N Davis	Ave	20120130	3	18	R-48	2,755	1913	\$719,000	7,062	392	\$39,944
77	23220	2617	W Broad	St	20121022	2	2	B-3	12,869	1959	\$700,000	15,598	7,799	\$350,000
78	23220	7	N Boulevard		20130102	3	12	R-48	7,764	1919	\$534,830	12,093	1,008	\$44,569
79	23220	307	N Boulevard		20130102	3	14	R-48	8,100	1920	\$534,830	8,940	639	\$38,202
80	23220	118	S Boulevard		20120504	2	6	R-48	5,880	1957	\$555,000	3,870	645	\$92,500
81	23220	8	S	Blvd	20130102	3	12	R-48	9,164	1917	\$534,830	13,173	1,098	\$44,569
82	23221	3129	W Franklin	St	20120420	2	8	R-6	7,250	1928	\$650,000	5,278	660	\$81,250
83	23221	3500	Park	Ave	20130531	2	10	R-48	9,100	1958	\$770,000	7,784	778	\$77,000
					Bottom of Range						\$19,550	2,791	174	\$58
					Top of Range						\$8,273,000	297,968	98,606	\$3,500,000
					Average						\$1,458,452	34,403	5,674	\$219,265
					Median						\$800,000	13,530	882	\$6

# Appendix B: Affordability Gap Analysis



City of Richmond, Virginia  
November 6, 2014

Final Report





## Appendix B: Affordability Gap Analysis Final Report



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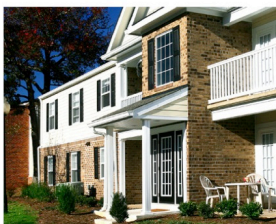
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## A. Executive Summary

The City of Richmond (City) retained David Paul Rosen & Associates (DRA) to prepare a Comprehensive Affordable Housing Strategy and Affordable Housing Trust Fund Study (Strategy) for the City. As part of the Strategy, DRA prepared the affordability gap analysis presented in this report. As used in the Strategy, the term “affordability gap” means the difference between the amount households at alternative income levels can afford to pay toward housing and the actual development cost of a typical housing unit.

The first step in the gap analysis establishes the amount a tenant or homebuyer can afford to contribute to the cost of renting or owning a dwelling unit based on established State and federal standards. Income levels, housing costs and rents are defined using 2014 published data for Richmond.

The second step estimates the costs of providing affordable housing units in Richmond. For this purpose, DRA estimated the cost in Richmond in 2014 to: 1) purchase and rehabilitate existing single-family detached units; 2) build new single-family detached units on infill lots and 3) build a prototypical rental development.

The third step in the gap analysis establishes the housing expenses borne by the tenants and owners. These costs can be categorized into operating costs, and financing or mortgage obligations. Operating costs are the maintenance expenses of the unit, including utilities, property maintenance, property taxes, management fees, property insurance, replacement reserves, and insurance. For the rental prototype examined in this analysis, DRA assumed that the landlord pays all but certain tenant-paid utilities as an annual operating cost of the unit paid from rental income. For owner prototypes, DRA assumed the homebuyer pays all operating and maintenance costs for the home.

Financing or mortgage obligations are the costs associated with the purchase or development of the housing unit itself. These costs occur when all or a portion of the development cost is financed. This cost is always an obligation of the landlord or owner. Supportable financing from affordable sales prices or rents is deducted from the total development cost, less any owner equity or downpayment, to determine the affordability gap associated with developing those units.

For rental housing prototypes, the gap analysis calculates the difference between total development costs and the conventional mortgage supportable by net operating income from restricted rents. For owners, the gap is the difference between development costs and the supportable mortgage plus the buyer's down payment.

DRA examined the estimated subsidy requirements, or affordability gaps, for four housing prototypes:

**Prototype #1:** Shell acquisition and rehabilitation of an existing vacant or blighted three-bedroom single-family home.

**Prototype #2:** New construction of a three-bedroom single-family home on an infill lot or small tract;

**Prototype #3:** New construction of an 80-unit apartment property; and

**Prototype #4:** Rehabilitation of an existing 47-unit apartment property.

**Table 1** summarizes the estimated average per unit total development cost by prototype.

<b>Table 1</b> <b>Summary of Average Per Unit Development Costs by Prototype</b> <b>Richmond Affordability Gap Analysis</b> <b>2014</b>				
	<b>Prototype #1</b> <b>Single-Family</b> <b>Acquisition and</b> <b>Rehabilitation<sup>1</sup></b>	<b>Prototype #2</b> <b>Single-Family</b> <b>Infill New</b> <b>Construction</b>	<b>Prototype #3</b> <b>New</b> <b>Construction</b> <b>Apartments</b>	<b>Prototype #4</b> <b>Rehabilitated</b> <b>Apartments</b>
<b>Multifamily</b>	N/A	N/A	\$151,000	\$85,000
<b>Single-Family</b>				
Low Cost Scenario	\$218,000	\$183,000	N/A	N/A
Middle Cost Scenario	\$249,000	\$211,000	N/A	N/A
High Cost Scenario	\$279,000	\$234,000	N/A	N/A

N/A = not applicable.

Source: DRA.

<sup>1</sup> Assumes shell rehabilitation of vacant/blighted unit.

**Table 2** summarizes estimated subsidy requirements, or “affordability gaps” for the single-family prototypes analyzed in the gap analysis. Gaps are shown for very low income and low income households and under low, middle and high development cost scenarios for the single-family owner prototype homes, as well as based on a range of estimated market prices in Richmond’s neighborhoods. Where total development costs exceed market prices for the finished product, there is a “feasibility gap” as well as, or instead of, an affordability gap.

For the acquisition/rehabilitation single-family prototype, we also show the estimated gap assuming the property secures federal historic tax credits from the National Park service, which can only be used for eligible historic homes used as rental properties.

<b>Table 2</b> <b>Summary of Per Unit Subsidy Requirements</b> <b>Owner Housing Prototypes</b> <b>City of Richmond</b> <b>2014</b>				
	<b>Very Low Income 50% AMI</b>	<b>Low Income 80% AMI</b>	<b>Market</b>	<b>Historic Tax Credits<sup>1</sup></b>
<b>Home Price</b>	\$147,500	\$242,800	\$136,000 to \$181,000	N/A
<b>Per Unit Subsidy Required</b>				
<b>Single-Family Acquisition and Rehabilitation</b>	\$70,500	\$0	\$82,000	\$57,000
Low Scenario	\$101,500	\$6,200	\$90,500	\$86,000
Middle Scenario	\$131,500	\$36,200	\$98,000	\$115,000
High Scenario				
<b>Single-Family New Construction</b>				
Low Scenario	\$35,500	\$0	\$47,000	N/A
Middle Scenario	\$63,500	\$0	\$40,000	N/A
High Scenario	\$86,500	\$0	\$33,000	N/A

<sup>1</sup>Federal historic tax credits may be used for single-family homes that are used as rental properties.  
Source: DRA.





**Table 3** summarizes the estimated affordability gaps for the renter prototypes. For these prototypes, we first calculate the gaps assuming market-rate development, and then compare that to the average per unit gap after the use of leveraged financing from 9 Percent Low Income Housing Tax Credits (tax credits) or the use of 4 Percent tax credits and tax-exempt bonds, to demonstrate the economic value of these leveraged financing sources.

The subsidy requirements shown below assume income targeting at 60% of AMI for the no leverage and 4 Percent tax credit scenarios, and a combination of 40% AMI and 50% AMI units for the 9% tax credit scenario. Subsidy requirements may be higher for individual projects, depending upon factors such as income targeting, the tenant population and need for services, as well as specific project land and development costs. For example, a recent 9 Percent tax credit supportive housing project targeted to households earning less than 30% of AMI required \$38,000 per unit in subsidy from the City of Richmond.

<b>Table 3</b> <b>Summary of Per Unit Subsidy Requirements</b> <b>Renter Housing Prototypes with and without Tax Credits</b> <b>City of Richmond</b> <b>2014</b>			
<b>Housing Prototype</b>	<b>No Leverage</b>	<b>4% Tax Credits with Tax-Exempt Bonds</b>	<b>9% Tax Credits</b>
Multifamily Rental New Construction	\$93,000	\$30,000	\$2,000
Multifamily Rental Rehabilitation	\$44,800	\$13,300	\$2,300

Source: DRA.

## B. Housing Prototypes

**Table 4** describes the owner and renter housing prototypes, respectively, examined in the gap analysis. We examine the following four prototypes:

**Prototype #1:** Acquisition and shell rehabilitation of an existing single-family home. Existing homes in neighborhoods targeted by existing acquisition and rehabilitation efforts range in size, typically from 1,100 to 1,800 square feet. DRA has chosen home size of 1,600 that seems common in several neighborhoods.

**Prototype #2:** New construction of a modestly sized 1,200 square foot single-family home that could potentially be built on scattered sites or in small tracts in various locations throughout the City. Several local nonprofits are attempting to build modest homes affordable to low income buyers with low to no subsidy.

The single-family acquisition/rehabilitation and infill new construction prototype homes are based on discussions with local nonprofit housing developers active in Richmond.

**Prototype #3:** New construction of an 80-unit multifamily rental apartment complex that could be built in a number of locations in the City, such as on various sites on 9-Mile Road or several properties owned by RRHA.

The small new construction multi-family apartment prototype is based on discussions with local nonprofit housing developers and a review of 2014 tax credit applications to the Virginia Housing Development Authority for projects located in Richmond. In particular, it is fashioned after Ashe Gardens, a project by Commonwealth Catholic Charities at 2614 Whitcomb Street in Richmond that successfully secured an allocation of 9 Percent tax credits. The Ashe Gardens project is proposed for 40 units. Based on discussions with local nonprofits and DRA's national experience, smaller multifamily projects are more difficult and costly to operate and developers typically prefer projects with 80 or more units for operating efficiency. For the purposes of the gap analysis, DRA essentially doubled the size of the Ashe Gardens project in terms of its unit count, development costs, operating cost, etc., as described in more detail in the following sections.

**Prototype #4:** Rehabilitation of an existing 47-unit multifamily rental apartment complex.

This prototype is based on another Richmond project that received an allocation of 9 Percent tax credits in the non-profit pool in 2014: Cary Street Preservation.

**Table 4  
Housing Prototype Projects  
Richmond Affordability Gap Analysis**

**2014**

<b>PROTOTYPE</b>	<b>Prototype #1 Single-Family Shell Rehabilitation</b>	<b>Prototype #2 Single-Family Infill New Construction</b>	<b>Prototype #3 Multifamily Stacked Flat Apts.</b>	<b>Prototype #4 Multifamily Stacked Flat Apts.</b>
<b>Tenure</b>	<b>Owner</b>	<b>Owner</b>	<b>Rental</b>	<b>Rental</b>
<b>Unit Count</b>	1 Unit	1 Unit	80 Units	47 Units
<b>Type of Product</b>	Scattered Site Rehabilitation of Existing Homes	Scattered Site or Small Project Infill New Construction	New Construction of Garden-Style Apartments	Rehabilitation
<b>Number of Stories/ Type of Parking</b>	1-2 Stories Garages	1-2 Stories Garages	2 Stories Surface	2 Stories Surface
<b>Construction Type</b>	Type V	Type V	Type V	Type V
<b>Density (DU's/Net Acre)</b>	Varies	Varies	25.0	N/A
<b>Land Area (Acres)</b>	Varies	Varies	3.20	N/A
<b>Units by Bedroom Count</b>				
<b>One Bedroom</b>	0	0	0	9
<b>Two Bedroom</b>	0	0	56	29
<b>Three Bedroom</b>	1	1	24	9
<b>Four Bedroom</b>	0	0	0	0
<b>Percent of Units by Bedroom Count</b>				
<b>One Bedroom</b>	0%	0%	0%	19%
<b>Two Bedroom</b>	0%	0%	70%	62%
<b>Three Bedroom</b>	100%	100%	30%	19%
<b>Four Bedroom</b>	0%	0%	0%	0%
<b>Unit Size (Net Square Feet)</b>				
<b>One Bedroom</b>				566
<b>Two Bedroom/1 Bath</b>				1,056
<b>Three Bedroom</b>	1,600	1,200	900	1,266
<b>Four Bedroom</b>			1,100	
<b>Average Unit Square Feet</b>	<i>1,600</i>	<i>1,200</i>	<i>960</i>	<i>1,002</i>
<b>Building Square Feet</b>				
<b>Net Living Area</b>	1,600	1,200	76,800	47,113
<b>Community Space</b>	N/A	N/A	1,000	N/A
<b>Total Net Bldg. Square Feet</b>	1,600	1,200	77,800	N/A
<b>Efficiency Ratio</b>	N/A	N/A	70%	N/A
<b>Total Gross Bldg. Sq. Ft.</b>	N/A	N/A	111,143	N/A

Source: David Paul Rosen & Associates

## C. Income Targeting and Affordable Housing Cost

### 1. Target Income Levels

The affordability gap analysis analyzes income limits as commonly defined by the Department of Housing and Urban Development (HUD), the Low Income Housing Tax Credit (LIHTC) Program, and most affordable housing assistance programs. Very low income households are defined as households with incomes less than 50 percent of area median income (AMI). Low income households are defined as households with incomes between 51 and 80 percent of AMI. Moderate income households are defined as households with incomes between 81 and 120 percent of AMI. All of these income limits are adjusted by household size using HUD family size adjustment factors.

**Table 5** shows 2014 very low, low and moderate income limits for the City of Richmond by household size based on these income category definitions and the 2014 median household income for Richmond of \$72,900 for a four-person household. This analysis also looks at a median income category for households between 81 and 100 percent of AMI; the 60 percent of AMI category, which is widely used in the LIHTC program; and the “extremely low” income category of households earning up to 30 percent of AMI, also used by HUD.

<b>Household Size</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>80% AMI</b>	<b>100% AMI</b>	<b>120% AMI</b>
1 Person	\$15,300	\$25,550	\$30,600	\$40,850	\$51,030	\$61,250
2 Persons	\$17,500	\$29,200	\$35,000	\$46,650	\$58,300	\$70,000
3 Persons	\$19,700	\$32,850	\$39,400	\$52,500	\$65,600	\$78,700
<b>4 Persons</b>	<b>\$21,900</b>	<b>\$36,450</b>	<b>\$43,750</b>	<b>\$58,300</b>	<b>\$72,900</b>	<b>\$87,500</b>
5 Persons	\$23,600	\$39,400	\$47,250	\$63,000	\$78,750	\$94,500
6 Persons	\$25,350	\$42,300	\$50,750	\$67,650	\$84,550	\$101,500

HUD reports very low income (50% AMI) and low income (80% AMI) limits, rounded to \$50. Other income limits calculated based on percent AMI.

Sources: 2014 HUD median household income for Richmond, Virginia of \$72,900, adjusted by household size and percent of area median income (AMI); DRA.

## 2. Affordable Housing Cost Definitions

Calculation of affordable rents and home prices requires defining affordable housing expense for renters and owners. Affordable housing expense for renters is defined to include rent plus utilities, which is standard for affordable housing programs and practice. For owners, affordable housing expense is defined to include mortgage principal and interest, property taxes and homeowner's insurance. For renters, affordable housing expense is calculated at 30 percent of household income, the standard of virtually all rental housing programs. For owners, affordable housing expense is calculated at 35 percent of household income, consistent with many first-time homebuyer programs and lender standards.

**Table 6** shows renter affordable housing cost at the 30 percent of gross income standard, for a range of household sizes and percent of AMI categories.

<b>Table 6</b>					
<b>Renter Affordable Housing Cost<sup>1</sup> by Percent of AMI and Household Size</b>					
<b>City of Richmond Housing Affordability Gap Analysis</b>					
<b>2014</b>					
<b>Household Size</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>80% AMI</b>	<b>100% AMI</b>	<b>120% AMI</b>
One Person	\$638	\$765	\$1,021	\$1,276	\$1,531
Two Persons	\$729	\$875	\$1,166	\$1,458	\$1,750
Three Persons	\$820	\$984	\$1,312	\$1,640	\$1,968
Four Persons	\$911	\$1,094	\$1,458	\$1,823	\$2,187
Five Persons	\$984	\$1,181	\$1,575	\$1,968	\$2,362
Six Persons	\$1,057	\$1,268	\$1,691	\$2,114	\$2,537

<sup>1</sup> Assumes 30% of gross income spent on housing.

Sources: HUD 2014 median household income for Richmond of \$72,900, adjusted by household size and percent of AMI (AMI); DRA.

**Table 7** shows owner affordable housing cost at the 35 percent of gross income standard.

<b>Table 7</b> <b>Owner Affordable Housing Cost<sup>1</sup> by Percent of AMI and Household Size</b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>					
<b>Household Size</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>80% AMI</b>	<b>100% AMI</b>	<b>120% AMI</b>
One Person	\$744	\$893	\$1,191	\$1,488	\$1,786
Two Persons	\$851	\$1,021	\$1,361	\$1,701	\$2,041
Three Persons	\$957	\$1,148	\$1,531	\$1,914	\$2,296
Four Persons	\$1,063	\$1,276	\$1,701	\$2,126	\$2,552
Five Persons	\$1,148	\$1,378	\$1,837	\$2,296	\$2,756
Six Persons	\$1,233	\$1,480	\$1,973	\$2,466	\$2,960

<sup>1</sup> Assumes 35% of gross income spent on housing.

Sources: HUD 2014 median household income for Richmond of \$72,900, adjusted by household size and percent of AMI (AMI); DRA.

### 3. Occupancy Standards

Because income definitions for affordable housing assistance programs vary by household size, calculation of affordable rents and affordable owner housing costs requires the definition of occupancy standards (the number of persons per unit) for each unit size. For the purposes of this analysis, affordable housing cost for the multifamily rental prototype is based on an occupancy standard of 1.5 persons per bedroom. This definition is consistent with the most valuable leverage sources for affordable rental housing: the Low Income Housing Tax Credit and tax-exempt bond programs. For the single-family ownership prototypes, affordable housing cost is calculated based on an occupancy standard of one person per bedroom plus one.

### 4. Utility Allowances

Allowable affordable net rents are calculated by subtracting allowances for the utilities paid directly by the tenants from the gross rent (or affordable housing cost).

For purposes of the renter gap analysis, we incorporated utility allowances effective October 1, 2013 from the Richmond Redevelopment and Housing

Authority (RRHA), summarized in **Table 8**. Detailed utility allowance calculations are shown in **Table 20**.

Actual utility allowances depend upon a variety of factors, including the utilities that are paid by the residents (e.g., water, gas, electricity, sewer, trash), the type of appliances and heating units incorporated in the units, and whether appliances and heating units require electricity or gas.

For the multifamily rental prototype, this analysis assumes that the resident pays for electric heating, air conditioning, “other electric,” and natural gas cooking and water heating. We assume the landlord pays for trash, water and sewer.

For the single-family ownership homes, this analysis assumes that the resident pays for electric heating, air conditioning, “other electric,” natural gas cooking and water heating, water and sewer.

<b>Table 8</b> <b>Current Monthly Utility Allowances Used for Housing Prototypes<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>		
<b>Unit Bedroom Count</b>	<b>Rental Prototype<sup>1</sup></b>	<b>Owner Prototypes<sup>2</sup></b>
One Bedroom	\$107	\$146
Two Bedroom	\$130	\$192
Three Bedroom	\$149	\$232
Four Bedroom	\$177	\$280

<sup>1</sup>Assumes electric heating, other electric, air conditioning, natural gas cooking and water heating for garden apartments, walk-ups and townhomes.

<sup>2</sup>Assumes electric heating, other electric, air conditioning, natural gas cooking and water heating, water and sewer for single-family detached homes.

Sources: Richmond Redevelopment and Housing Authority, effective 10/1/13; DRA.

## 5. Affordable Net Rents and Owner Housing Cost

**Table 9** summarizes affordable monthly net rents by income level based on the assumptions described above. **Table 10** summarizes monthly affordable housing cost for owners. For owners, the affordable monthly mortgage payment (principal plus interest) is calculated by deducting estimated monthly costs for property insurance (\$75) and property taxes (based on an annual assessment equal to 1.2 percent of the affordable home price) from monthly affordable housing cost.



<b>Table 9</b> <b>Affordable Net Rents by Percent of Area Median Income and Unit Bedroom Count<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>				
<b>Unit Size</b>	<b>Very Low 50% AMI</b>	<b>Low 60% AMI</b>	<b>Low 80% AMI</b>	<b>Moderate 100% AMI</b>
1 Bedroom	\$576	\$713	\$987	\$1,260
2 Bedrooms	\$690	\$854	\$1,182	\$1,510
3 Bedrooms	\$799	\$988	\$1,367	\$1,746

<sup>1</sup>U.S. Department of Housing and Urban Development published 2014 very low income limits, adjusted proportionally for percentage of AMI category. Gross rents are calculated assuming an occupancy standard of 1.5 persons per bedroom. Net rents are calculated assuming 30% of gross income spent on rent and then deducting the RRHA utility allowances shown above.

Source: DRA.

<b>Table 10</b> <b>Owner Affordable Housing Cost By Percent of Area Median Income and Unit Bedroom Count<sup>1</sup></b> <b>City of Richmond Housing Affordability Gap Analysis</b> <b>2014</b>				
<b>Unit Size</b>	<b>Very Low 50% AMI</b>	<b>Low 80% AMI</b>	<b>Moderate 100% AMI</b>	<b>Moderate 120% AMI</b>
1 Bedroom	\$851	\$1,361	\$1,701	\$2,041
2 Bedrooms	\$957	\$1,531	\$1,914	\$2,296
3 Bedrooms	\$1,063	\$1,701	\$2,126	\$2,552
4 Bedrooms	\$1,148	\$1,837	\$2,296	\$2,756

<sup>1</sup>U.S. Department of Housing and Urban Development published 2014 low and median income limits. Owner affordable housing costs are calculated assuming an occupancy standard of one person per bedroom plus one and 35% of gross income spent on housing.

Source: DRA

## 6. Affordable Home Prices

**Table 11** shows affordable home prices by income level, based on the affordable monthly owner housing costs and deductions for property taxes and property insurance described above. The maximum affordable home price is estimated assuming a 5 percent owner downpayment, a 6.0 percent fixed mortgage interest rate and 30-year mortgage term and amortization.

<b>Unit Size</b>	<b>Very Low Income 50% AMI</b>	<b>Low Income 80% AMI</b>	<b>Moderate Income 100% AMI</b>	<b>Moderate Income 120% AMI</b>
1 Bedroom	\$116,000	\$192,000	\$243,000	\$294,000
2 Bedrooms	\$132,000	\$217,000	\$275,000	\$332,000
3 Bedrooms	\$148,000	\$243,000	\$306,000	\$370,000
4 Bedrooms	\$160,000	\$263,000	\$332,000	\$400,000

<sup>1</sup>Affordable mortgage principal and interest calculated by deducting the following from affordable owner monthly housing cost: annual property taxes and assessments at 1.2 of affordable home price; and property insurance of \$75 per month. Affordable mortgage calculated assuming 5% owner downpayment, 6.0% mortgage interest rate and 30-year mortgage term and amortization.

Source: DRA.

## D. Development Costs

Development costs for the single-family acquisition/rehabilitation and new construction prototype homes were estimated based on interviews with, as well as information and comments from, local Richmond area developers and affordable housing stakeholders.

As noted above, DRA used a generalized, larger version of the 40-unit Ashe Gardens project for the multifamily new construction prototype in the gap analysis. Land, hard construction, indirect construction (soft costs such as architecture and engineering), permits and fees are based on per unit and per square foot costs at Ashe Gardens. While there may be some economies of scale in the larger 80-unit prototype, we have not attempted to estimate those in this analysis.

Rehabilitation costs, including hard and soft costs, for the multifamily rental rehabilitation prototype are based on the Cary Street Preservation project.

### 1. Property Acquisition Costs

DRA estimated per unit land costs based on interviews with local nonprofit developers active in the Richmond area. We also examined vacant land sales data for lots and other property sold since January 1, 2014.

For the single-family infill new construction prototype home, we estimate low, middle and high land costs ranging from \$0 to \$20,000 per unit across the neighborhoods in which many vacant single-family lots are located.

We also show estimated home acquisition costs ranging from \$20,000 to \$40,000 for blighted units in need of rehabilitation from the shell outward.

For the multi-family prototype, we estimate land acquisition costs of \$7,000 per unit, based on the actual land cost for the Ashe Gardens project.

### 2. Hard and Soft Construction Costs

Construction hard costs are estimated based on interviews with local nonprofit developers and, for the multi-family rental prototypes, based on the Ashe Gardens and Cary Street projects described above.

For the single-family acquisition and rehabilitation prototype home, we have estimated total costs per unit, including acquisition, hard construction and soft costs, under low, middle and high cost scenarios.

For the infill new construction prototype home, we have estimated total costs per unit, including land acquisition, hard construction and soft costs, under low, middle and high cost scenarios.

Developer fees for the acquisition/rehabilitation and infill new construction homes are estimated at about 10 percent of market sales price, or 6 percent to 8 percent of total development costs.

For the multifamily rental new construction prototype, we estimate on-site improvement costs, building shell costs, permits and fees, architecture and engineering, other soft costs, and construction financing costs.

The developer fee assumed for the multifamily rental new construction prototype is equal to 8 percent of total development costs, the maximum limit for competitive 9 Percent tax credit projects with over \$10 million in total development costs under the Virginia Housing Development Authority's (VHDA's) current regulations governing the allocation of tax credits. While this limit would not apply directly to the unleveraged market-rate prototype DRA initially analyzes in the gap analysis, we have kept the fee the same for comparison purposes.

For the multifamily rental rehabilitation prototype, we assume no developer fee, based on the actual pro forma for the Cary Street project. Inclusion of a developer fee would increase the gap, to the extent the fee was not paid from deferred cash flow.

For the affordability gap analysis, we first model the prototypes assuming market-rate development and no leveraged financing. This analysis illustrates the economic gap between the cost of a market-rate unit and the amount households at various income levels can afford to pay for housing.

The hard cost assumptions for the gap analysis do not assume payment of prevailing wages. While the use of 9 Percent tax credits by themselves does not trigger a requirement for prevailing wages, to the extent the gap is filled with other forms of public subsidy, then the payment of prevailing wages may be required.

## **E. Operating and Financing Cost Assumptions**

### **1. Rental Prototype Operating Costs**

Annual operating costs are estimated at \$4,500 per unit for the multifamily rental new construction prototype, excluding replacement reserves, based on the projected operating expenses for the Ashe Gardens project. For the multifamily rental rehabilitation prototype we assume operating costs of \$5,800 per unit based on the Cary Street project. It is not uncommon for rehabilitated buildings to require higher operating costs than new construction because they tend to be less efficient and require additional repairs and maintenance. Smaller projects also tend to have higher per unit operating costs than larger ones.

Replacement reserves for the rental new construction prototype are assumed to equal \$350 per unit per year, also based on the requirements of the equity investor for Ashe Gardens. For the rental rehabilitation prototype, operating reserves are assumed at \$300 per unit based on the Cary Street pro forma. VHDA's minimum requirements are \$250 for new construction senior and \$300 for acquisition/rehabilitation.

A vacancy allowance of 3 percent is used for the multifamily rental prototypes, given that affordable properties typically have lower vacancy rates than market-rate properties.

### **2. Financing Costs**

Financing costs vary according to the amount of equity invested, the term of the loan, the annual interest rate, and, in the case of ownership projects, mortgage insurance rates, if required. For purposes of this gap analysis, the amount of the first mortgage for the rental prototypes is assumed to be the amortized debt that may be supported by tenant net affordable rents. The balance of project financing is the affordability cost or gap.

Construction loan interest for the rental new construction prototype is calculated based on an average construction loan balance of 60 percent, a 5 percent construction interest rate, and a 15-month construction and lease-up period. We use a 7.0 percent permanent loan interest rate for the rental prototypes with a 30-year amortization, based on Ashe Gardens. Interest costs for the rental rehabilitation prototype are based on the costs for the Cary Street project.

For the owner prototypes, DRA assumed homebuyer mortgages based on an effective fixed interest rate of 6.0 percent (combined loan interest and mortgage

insurance where appropriate) for 30 years. We also assume a 5 percent downpayment on the owner prototypes.

Development cost estimates for Prototypes #1, #2 and #3 are shown in **Tables 12, 13 and 14**, respectively, presented with the remaining tables at the end of the text.<sup>1</sup> Tables 12 and 13 also show the affordable sales price and typical market sales prices in neighborhoods where acquisition/rehabilitation and new infill construction are typically taking place, as well as the resulting per unit subsidy requirements. **Table 15** summarizes per unit and per square foot development costs by unit bedroom count for the three prototypes.

For the single-family acquisition/rehabilitation prototype, DRA also estimated the subsidy required if the unit received federal historic tax credits from the National Park Service. Single-family homes are eligible for such credits only if they are used as rental properties. DRA estimated the supportable mortgage for the unit as a rental, assuming monthly net rent of \$1,000, a 1.2 debt coverage ratio, and a 30-year fixed mortgage at a 6 percent mortgage interest rate. The amount of tax credit equity that could be raised for the unit is estimated assuming eligible tax credit basis of 25 percent of rehabilitation (construction) costs, 70 percent of which is received as tax credit equity, based on input from local developers active in the use of such credits. The resulting subsidy requirements under the low, medium and high scenarios are shown in Table 12.

## F. Per Unit Affordability Gaps

For rental housing prototypes, the gap analysis calculates the difference between total development costs and the conventional mortgage supportable by net operating income from restricted rents, based on the above assumptions. For owners, the gap is the difference between development costs and the affordable sales price (supportable mortgage plus the buyer's down payment).

Per unit affordability gaps are calculated for Prototypes #1, #2 and #3 in **Table 16, 17 and 18**, respectively.

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<sup>1</sup> Development costs for Prototype #4, the rental rehabilitation prototype, may be found in the leveraged financing analysis for this prototype, in Table 20.

## **G. Renter Leveraged Financial Analysis**

DRA modeled the two rental housing prototypes under the following leveraged financing scenarios:

1. 9 Percent Low Income Housing Tax Credits (tax credits); and
2. 4 Percent tax credits with tax-exempt bonds.

The leveraged financing analysis incorporates the assumptions of the gap analysis described above. Additional assumptions for the leveraged financing analysis are described below.

### **1. Prevailing Wages**

As noted above, the affordability gap analysis evaluates market-rate prototypes and does not assume prevailing wages. Private residential projects built on private property are not subject to prevailing wages. The use of 9 Percent tax credits or 4 Percent tax credits and tax-exempt bonds do not alone trigger prevailing wages. However, certain types of public gap funding do require prevailing wages. We have not modeled prevailing wages but note that they may apply in some circumstances.

### **2. Eligible Basis Calculations**

In calculating eligible basis for the purposes of determining federal tax credits, we have assumed the 130 percent basis boost for sites located in Qualified Census Tracts (QCTs) and Difficult to Develop Areas (DDAs). Ashe Gardens and Cary Street are both eligible for the 130 percent boost. We show the estimated percentage of development costs in basis for the 9 Percent and 4 Percent tax credit scenarios, based on Ashe Gardens, Cary Street and DRA experience.

### **3. Income Targeting Scenarios, Occupancy Standards and Affordable Rents**

The leveraged financing alternatives analyzed require specific income targeting for a project to comply with program regulations and/or to be competitive. For the purposes of this analysis, we have assumed 100 percent of units are affordable at 60 percent of AMI for the no tax credit and 4 Percent tax credit/tax-exempt bond



scenarios. This is the highest income profile allowed under the 4 Percent tax credit/tax-exempt bond program for units to be considered low income units and eligible to be included in basis. We have modeled the no tax credit scenario under the same affordability levels to facilitate comparison.

For the 9 Percent tax credit scenario, we have assumed a lower income profile, as necessary to be competitive for these tax credits. The income profile for the rental new construction prototype is based on the Ashe Gardens project, which successfully secured tax credits with 30 percent of units at 40 percent of AMI and 70 percent of units at 50 percent of AMI. For the rental rehabilitation prototype, the income profile averages to approximately 11 percent of units at 40 percent of AMI, 62 percent of units at 50 percent of AMI, and 27 percent of units at 60 percent of AMI, based on the actual income distribution by unit bedroom count for the Cary Street project.

**Table 19** summarizes the permanent sources and uses for Prototype #3, the multifamily rental prototype, under the leveraged financing scenarios. It shows permanent sources of funds including federal tax credit equity and the permanent first mortgage. The difference between total development costs (or permanent uses of funds), and permanent sources is the gap financing required to make the project feasible. A portion of the developer fee could be deferred and paid out of cash flow to reduce, or in the case of the 9 Percent tax credit scenario possibly eliminate, the amount of subsidy required.

Table 19 also shows the development cost, tax credit basis, tax credit factor, annual tax credits and pricing assumptions used in calculating federal tax credit equity that could be raised for the project under the 4 Percent and 9 Percent tax credit scenarios. We assume tax credit pricing of \$0.90 for both scenarios.

The permanent first mortgage (or tax-exempt bond) amount is based on the income targeting assumptions, projected affordable rents, gross rental income, vacancy, operating costs, replacement reserves and projected net operating income available for paying annual permanent mortgage debt service shown in **Table 20**. We assume a permanent debt coverage ratio of 1.20 for all three scenarios, with permanent mortgage interest rates of 7 percent for conventional financing and 5.5 percent for tax-exempt bond financing.

To make these financing scenarios feasible, any permanent gap financing required would have to be filled by other subsidy sources, such as local housing resources.

**Tables 21** and **22** show the leveraged financing analysis for the Prototype #4, the rental rehabilitation prototype based on the same assumptions described above for Prototype #3, except that the interest rate was revised downward to 6.20 percent under the 9 Percent tax credit scenario based on the more favorable financing that was obtained for the Cary Street project from VHDA.

## H. Detailed Calculations and Data Tables

Detailed utility allowances from VHDA are shown in **Table 23**.

Calculations of affordable rents by income level and unit bedroom count are shown in **Table 24**.

Detailed calculations of affordable home prices by income level and unit bedroom count are shown in **Table 25**.

**Table 12**  
**Estimated Sources and Uses by Income Level**  
**Owner Prototype #1**  
**Single-Family**  
**Shell Rehabilitation**  
**Richmond Affordability Gap Analysis**

	<b>Development Cost Scenario</b>		
	<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>Uses</b>			
Property Acquisition	\$20,000	\$30,000	\$40,000
Legal	\$1,000	\$2,000	\$3,000
Architectural/Engineering	\$4,000	\$5,500	\$6,500
Construction	\$165,000	\$175,000	\$185,000
Buyer Income Qualification/Documentation	\$900	\$1,200	\$1,500
Closing Costs	\$2,000	\$3,000	\$4,000
Buyer Assistance Grant	\$5,000	\$7,500	\$10,000
Sales Commissions/Marketing	\$8,000	\$9,500	\$11,000
Developer Fee	\$12,000	\$15,000	\$18,000
Total Development Costs (Rounded)	\$218,000	\$249,000	\$279,000
<b>Sources</b>			
<b>Very Low Income</b>			
Affordable Sales Price (Three-Bedroom Unit)	\$84,100	\$84,100	\$84,100
Subsidy Required	\$133,900	\$164,900	\$194,900
<b>Low Income</b>			
Affordable Sales Price (Three-Bedroom Unit)	\$242,800	\$242,800	\$242,800
Subsidy Required	(\$24,800)	\$6,200	\$36,200
<b>With Historic Tax Credits (1)</b>			
Supportable Mortgage (2)	\$132,000	\$132,000	\$132,000
Tax Credit Equity (3)	\$28,875	\$30,625	\$32,375
Subsidy Required	\$57,125	\$86,375	\$114,625
<b>Market</b>			
Market Sales Price	\$136,000	\$158,500	\$181,000
Subsidy Required	\$82,000	\$90,500	\$98,000
Acquisition Subsidy	\$20,000	\$30,000	\$40,000
Development Subsidy	\$62,000	\$60,500	\$58,000

(1) Federal historic tax credits may be used for single-family homes but only if they are used as rental properties.

(2) Supportable mortgage based on \$1,000 per month net rental income assuming 6% interest rate, 30-year fixed rate mortgage and 1.20 debt coverage ratio.

(3) Assumes eligible basis equal to 25% of construction costs and equity equal to 70% of basis.

Source: DRA.

**Table 13**  
**Estimated Sources and Uses by Income Level**  
**Owner Prototype #2**  
**Single-Family Infill**  
**New Construction**  
**Richmond Affordability Gap Analysis**

	Development Cost Scenario		
	Low	Medium	High
<b>Uses</b>			
Property Acquisition	\$0	\$12,500	\$20,000
Legal	\$1,500	\$2,000	\$3,000
Architectural/Engineering	\$4,000	\$5,500	\$6,500
Construction	\$150,000	\$155,000	\$160,000
Buyer Income Qualification/Documentation	\$900	\$1,200	\$1,500
Closing Costs	\$2,000	\$3,000	\$4,000
Buyer Assistance Grant	\$5,000	\$7,500	\$10,000
Sales Commissions/Marketing	\$8,000	\$9,500	\$11,000
Developer Fee	\$12,000	\$15,000	\$18,000
Total Development Costs (Rounded)	\$183,000	\$211,000	\$234,000
<b>Sources</b>			
<b>Very Low Income</b>			
Affordable Sales Price (Three-Bedroom Unit)	\$84,100	\$84,100	\$84,100
Subsidy Required	\$98,900	\$126,900	\$149,900
<b>Low Income</b>			
Affordable Sales Price (Three-Bedroom Unit)	\$242,800	\$242,800	\$242,800
Subsidy Required	(\$59,800)	(\$31,800)	(\$8,800)
<b>Market</b>			
Market Sales Price	\$136,000	\$158,500	\$181,000
Subsidy Required	\$47,000	\$52,500	\$53,000
Acquisition Subsidy	\$0	\$12,500	\$20,000
Development Subsidy	\$47,000	\$40,000	\$33,000

Source: DRA.

**Table 14**  
**Estimated Development Costs**  
**Renter Prototype #3**  
**Multifamily**  
**Stacked Flat Apts.**  
**Richmond Affordability Gap Analysis**

<b>Land Acquisition Costs</b>	3.20 Acres	\$4.02 /SF	\$7,000 /Unit	\$560,000
<b>Direct Costs<sup>1</sup></b>				
Off-Site Improvements		Allowance		\$0
On-Site Improvements		80 Units	\$8,000 /Unit	640,000
Garage/Podium Parking Structure		0 Units	\$0 /Unit	-
Building Shell	76,800	NSF Living Area	\$106.00 /NSF	8,140,800
<b>Total Direct Costs</b>			\$ 114.33 /NSF	\$8,780,800
<b>Permits and Fees</b>		80 Units	\$1,000 /Unit	\$80,000
<b>Indirect Costs</b>				
Architecture, Eng. & Consulting		3.0% Direct Costs		\$263,400
Permits & Fees		80 Units	\$750 /Unit	60,000
Other Soft Costs		12.0% Direct Costs		1,053,700
Contingency Allowance		0.0% Direct Costs		0
<b>Total Indirect Costs</b>			\$ 17.93 /NSF	\$1,377,100
<b>Financing/Closing Costs</b>				
Interest + Loan Origination Fees <sup>2</sup>		80 Units	\$4,413 /Unit	\$353,000
Title, Closing and Escrow		80 Units	\$750 /Unit	60,000
<b>Total Financing/Closing Costs</b>			\$ 5.38	\$413,000
<b>Developer Fee/Overhead &amp; Profit <sup>3</sup></b>		8.0% Develop. Costs	\$ 11.68	\$896,900
<b>Total Development Costs</b>		80 Units	\$151,348 /Unit	\$12,107,800
			\$157.65 /NSF	

<sup>1</sup> Including contractor cost.

<sup>2</sup> Construction financing assumptions:

Construction Interest rate: 5.00%

Construction/lease-up period 15 months

Average loan balance 60.00%

<sup>3</sup> Virginia Housing Development Authority (VHDA) has a developer fee limit of 8% of total development costs (TDC) for projects with TDCs in excess of \$10 million.

Source: DRA.

**Table 15**  
**Summary of Per Unit and Per Square Foot Total Development Costs**  
**New Owner and Renter Housing Prototype Units**  
**Richmond Affordability Gap Analysis**  
**2014**

Prototype	Unit Bedroom Count				Weighted Average (1)
	One Bedroom	Two Bedroom/ Two Bath	Three Bedroom	Four Bedroom	
<b>Prototype #1</b>					
<b>Shell Rehabilitation</b>					
<b>Owner</b>					
Low Scenario					
Unit SF			1,600		1,600
Cost per SF			\$136.25		\$136.25
Cost per Unit			\$218,000		\$218,000
Middle Scenario					
Unit SF			1,600		1,600
Cost per SF			\$155.63		\$155.63
Cost per Unit			\$249,000		\$249,000
High Scenario					
Unit SF			1,600		1,600
Cost per SF			\$174.38		\$174.38
Cost per Unit			\$279,000		\$279,000
<b>Prototype #2</b>					
<b>New Construction</b>					
<b>Owner</b>					
Low Scenario					
Unit SF			1,200		1,200
Cost per SF			\$152.50		\$152.50
Cost per Unit			\$183,000		\$183,000
Low Scenario					
Unit SF			1,200		1,200
Cost per SF			\$175.83		\$175.83
Cost per Unit			\$211,000		\$211,000
Low Scenario					
Unit SF			1,200		1,200
Cost per SF			\$195.00		\$195.00
Cost per Unit			\$234,000		\$234,000
<b>Prototype #3</b>					
<b>Multifamily</b>					
<b>Stacked Flat Apts.</b>					
<b>Rental</b>					
Unit SF		900	1,100		960
Cost per SF		\$157.65	\$157.65		\$157.65
Cost per Unit		\$142,000	\$173,000		\$151,000

(1) Weighted average based on distribution of units by bedroom count for prototypical housing developments.

Source: DRA.

**Table 16**  
**Owner Housing Affordability Gap Calculations**  
**Prototype #1**  
**Shell Rehabilitation**  
**Richmond Affordability Gap Analysis**  
**2014**

<b>Income Level/Cost Scenario</b>	<b>No. of BR</b>	<b>Unit SF</b>	<b>Maximum Monthly Housing Cost</b>	<b>Affordable Sales Price Per Unit (1)</b>	<b>Total Development Cost Per Unit (2)</b>	<b>Affordability Gap Per Unit</b>
<b>Very Low Income</b>						
Low Cost Scenario	3	1,600	\$638	\$84,100	\$218,000	\$133,900
Middle Cost Scenario	3	1,600	\$638	\$84,100	\$249,000	\$164,900
High Cost Scenario	3	1,600	\$638	\$84,100	\$279,000	\$194,900
<b>Low Income</b>						
Low Cost Scenario	3	1,600	\$689	\$242,800	\$218,000	\$0
Middle Cost Scenario	3	1,600	\$1,837	\$242,800	\$249,000	\$6,200
High Cost Scenario	3	1,600	\$2,296	\$242,800	\$279,000	\$36,200

(1) From Table 21.

(2) From Table 17.

Source: DRA.



**Table 17**  
**Owner Housing Affordability Gap Calculations**  
**Prototype #2**  
**New Construction**  
**Richmond Affordability Gap Analysis**  
**2014**

<b>Income Level/Cost Scenario</b>	<b>No. of BR</b>	<b>Unit SF</b>	<b>Maximum Monthly Housing Cost</b>	<b>Affordable Sales Price Per Unit (2)</b>	<b>Total Development Cost Per Unit (3)</b>	<b>Affordability Gap Per Unit</b>
<b>Very Low Income</b>						
Low Cost Scenario	3	1,200	\$574	\$84,100	\$183,000	\$98,900
Middle Cost Scenario	3	1,200	\$1,531	\$84,100	\$211,000	\$126,900
High Cost Scenario	3	1,200	\$1,914	\$84,100	\$234,000	\$149,900
<b>Low Income</b>						
Low Cost Scenario	3	1,200	\$638	\$242,800	\$183,000	\$0
Middle Cost Scenario	3	1,200	\$1,701	\$242,800	\$211,000	\$0
High Cost Scenario	3	1,200	\$2,126	\$242,800	\$234,000	\$0

(1) From Table 21.

(2) From Table 18.

Source: DRA.

**Table 18**  
**Rental Housing Affordability Gap Calculations**  
**Prototype 3: No Leverage**  
**Multifamily**  
**Stacked Flat Apts.**  
**Richmond Affordability Gap Analysis**  
**2014**

Income Level	No. of BR	Unit SF	Total Units	Development Cost Per Unit (1)	Maximum Monthly Rent Per Unit	Project Gross Income	Annual Net Operating Income (2)	Affordable First Mortgage (3)	Development Cost	Affordability Gap	Gap Per Unit
Very Low Income	2	900	56	\$142,000	\$690	\$463,680	\$210,896	\$2,201,338	\$7,952,000	\$5,750,662	\$102,700
Low Income	2	900	56	\$142,000	\$854	\$573,888	\$315,594	\$3,294,174	\$7,952,000	\$4,657,826	\$83,200
Moderate Income	2	900	56	\$142,000	\$1,182	\$794,304	\$524,989	\$5,479,847	\$7,952,000	\$2,472,153	\$44,100
Very Low Income	3	1,100	24	\$173,000	\$799	\$230,112	\$120,206	\$1,254,717	\$4,152,000	\$2,897,283	\$120,700
Low Income	3	1,100	24	\$173,000	\$988	\$284,544	\$171,917	\$1,794,472	\$4,152,000	\$2,357,528	\$98,200
Moderate Income	3	1,100	24	\$173,000	\$1,367	\$393,696	\$275,611	\$2,876,837	\$4,152,000	\$1,275,163	\$53,100
Very Low Income	Weighted Average (4)	960	80	\$151,300	\$723	\$693,792	\$331,102	\$3,456,055	\$12,104,000	\$5,621,945	\$70,300
Low Income	Weighted Average (4)	960	80	\$151,300	\$894	\$858,432	\$487,510	\$5,088,646	\$12,104,000	\$3,989,354	\$49,900
Moderate Income	Weighted Average (4)	960	80	\$151,300	\$1,238	\$1,188,000	\$800,600	\$8,356,683	\$12,104,000	\$721,317	\$9,000

(1) From Table 12.

(2) Net operating income projected based on the following assumptions:

Vacancy rate: 5%  
Annual operating expense/unit: \$4,100

(3) Affordable first mortgage based on following financing terms:

Debt Coverage Ratio: 1.20  
Mortgage interest rate: 7%  
Mortgage Term: 30

(4) Weighted average based on unit distribution by bedroom count for the renter housing prototype.

Source: DRA.

**Table 19**  
**Leveraged Financing Analysis: Sources and Uses**  
**Prototype #3: Multifamily Rental New Construction**  
**Richmond Affordability Gap Analysis**

	4% Tax Credits, Tax			Assumptions	
	No Tax Credits	Exempt Bonds	9% Tax Credits		
<b>SOURCES AND USES</b>					
<b>PERMANENT SOURCES OF FUNDS</b>				Total Units	80
Federal Tax Credit Equity (1)	\$0	\$4,228,167	\$9,531,835	Acres	3.20
Permanent Mortgage	\$4,641,571	\$5,438,726	\$2,474,279	Unit/Acre	25.00
Deferred Developer Fee (2)	\$0	\$0	\$0		
Gap Financing Required	\$7,466,229	\$2,416,907	\$173,710		
<b>TOTAL SOURCES</b>	<b>\$12,107,800</b>	<b>\$12,083,800</b>	<b>\$12,179,824</b>		
Permanent Gap Financing/Unit	<b>\$93,328</b>	<b>\$30,211</b>	<b>\$2,171</b>		
<b>PERMANENT USES OF FUNDS</b>				<b>Difference in Per Unit Cost Comared to "No Tax Credit" Scenario</b>	
Land Acquisition Costs	\$560,000	\$560,000	\$560,000	<b>4% Tax Credits</b>	<b>9% Tax Credits</b>
Direct Construction Costs	\$8,780,800	\$8,780,800	\$8,780,800	\$0	\$0
Permits and Fees	\$80,000	\$80,000	\$80,000	\$0	\$0
Soft Costs	\$1,377,100	\$1,425,100	\$1,449,100	\$600	\$900
Financing Costs	\$413,000	\$341,000	\$413,024	(\$900)	\$0
Developer Fee	\$896,900	\$896,900	\$896,900	\$0	\$0
<b>TOTAL COST</b>	<b>\$12,107,800</b>	<b>\$12,083,800</b>	<b>\$12,179,824</b>		
Total Cost Per Unit	\$151,348	\$151,048	\$152,248	(\$300)	\$900
<b>Assumptions and Calculations</b>					
<b>Tax Credit Basis</b>				<b>% of Cost in Basis (Exlucing Land)</b>	
Land Acquisition Costs	N/A	\$0	\$0		
Direct Construction Costs	N/A	\$8,780,800	\$8,780,800	100%	100%
Permits and Fees	N/A	\$80,000	\$80,000	100%	100%
Soft Costs	N/A	\$1,140,080	\$652,095	80%	45%
Financing Costs	N/A	\$187,550	\$309,768	55%	75%
Developer Overhead and Profit	N/A	\$896,900	\$896,900	100%	100%
Total Tax Credit Basis	N/A	\$11,085,330	\$10,719,563	96%	88%
Total Tax Credit Basis with 30% Boost (3)	N/A	<b>\$14,410,929</b>	<b>\$13,935,432</b>		
Tax Credit Rate (Per VHDA) (4)	N/A	3.26%	7.60%		
Annual Tax Credits (5)	N/A	\$469,796	\$1,059,093		
Tax Credit Pricing	N/A	\$0.90	\$0.90		

N/A = not applicable.

(1) Equals annual tax credits multiplied by tax credit pricing multiplied by 10 years.

(2) DRA did not estimate the deferred developer fees that could be used to reduce or close the gap.

(3) Projects located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible for a 30% basis boost.

(4) 2014 tax credit factors from the Virginia Housing Development Authority.

**Table 20**  
**Leveraged Financing Analysis: Rents and Supportable Mortgage**  
**Prototype #3: Multifamily Rental New Construction**  
**Richmond Affordability Gap Analysis**

	Projections			Assumptions		
	No Tax Credits	4% Tax Credits, Tax Exempt Bonds	9% Tax Credits	No Tax Credits	4% Tax Credits, Tax Exempt Bonds	9% Tax Credits
<b>Number of Units by Income Level</b>				<b>Percent of Units by Income Level and Unit Bedroom Count</b>		
30% AMI				30% AMI	30% AMI	30% AMI
One Bedroom	0	0	0	0%	0%	0%
Two Bedroom	0	0	0	0%	0%	0%
Three Bedroom	0	0	0	0%	0%	0%
40% AMI				40% AMI	40% AMI	40% AMI
One Bedroom	0	0	0	0%	0%	0%
Two Bedroom	0	0	17	0%	0%	30%
Three Bedroom	0	0	7	0%	0%	30%
50% AMI				50% AMI	50% AMI	50% AMI
One Bedroom	0	0	0	0%	0%	0%
Two Bedroom	0	0	39	0%	0%	70%
Three Bedroom	0	0	17	0%	0%	70%
60% AMI				60% AMI	60% AMI	60% AMI
One Bedroom	0	0	0	0%	0%	0%
Two Bedroom	56	56	0	100%	100%	0%
Three Bedroom	24	24	0	100%	100%	0%
<b>Total Monthly Gross Rents</b>				<b>Monthly Rent by Income Level and Bedroom Count</b>		
30% AMI				30% AMI		
One Bedroom	\$0	\$0	\$0	One Bedroom	\$303	
Two Bedroom	\$0	\$0	\$0	Two Bedroom	\$362	
Three Bedroom	\$0	\$0	\$0	Three Bedroom	\$420	
40% AMI				40% AMI		
One Bedroom	\$0	\$0	\$0	One Bedroom	\$440	
Two Bedroom	\$0	\$0	\$8,942	Two Bedroom	\$526	
Three Bedroom	\$0	\$0	\$4,263	Three Bedroom	\$609	
50% AMI				50% AMI		
One Bedroom	\$0	\$0	\$0	One Bedroom	\$576	
Two Bedroom	\$0	\$0	\$26,910	Two Bedroom	\$690	
Three Bedroom	\$0	\$0	\$13,583	Three Bedroom	\$799	
60% AMI				60% AMI		
One Bedroom	\$0	\$0	\$0	One Bedroom	\$713	
Two Bedroom	\$47,824	\$47,824	\$0	Two Bedroom	\$854	
Three Bedroom	\$23,712	\$23,712	\$0	Three Bedroom	\$988	
<b>Total</b>	<b>\$71,536</b>	<b>\$71,536</b>	<b>\$53,698</b>			
Total Annual Gross Rents	\$858,432	\$858,432	\$644,376	<b>Total Number of Units: 80</b>		
Less: Vacancy	(\$25,753)	(\$25,753)	(\$19,331)			
Less: Operating Costs	(\$360,000)	(\$360,000)	(\$360,000)	One Bedroom	Two Bedroom	Three Bedroom
Less: Replacement Reserves	(\$28,000)	(\$28,000)	(\$28,000)	0	56	24
Net Operating Income	\$444,679	\$444,679	\$237,045			
Permanent Mortgage Amount	\$4,641,571	\$5,438,726	\$2,474,279			
Vacancy Rate	3.00%	3.00%	3.00%			
Annual Operating Cost Per Unit	\$4,500	\$4,500	\$4,500			
Annual Replace. Reserve/Unit	\$350	\$350	\$350			
Mortgage Interest Rate	7.00%	5.50%	7.00%			
Debt Coverage Ratio	1.20	1.20	1.20			
Term (Years)	30	30	30			

(1) 2014 tax credit factors from the Virginia Housing Development Authority.

**Table 21  
Leveraged Financing Analysis: Sources and Uses  
Prototype #4: Multifamily Rental Rehabilitation  
Richmond Affordability Gap Analysis**

	4% Tax Credits, Tax			Assumptions	
	No Tax Credits	Exempt Bonds	9% Tax Credits		
<b>SOURCES AND USES</b>					
<b>PERMANENT SOURCES OF FUNDS</b>				Total Units	47
Federal Tax Credit Equity (1)	\$0	\$1,147,214	\$2,674,567	Acres	N/A
Permanent Mortgage	\$1,851,946	\$2,170,004	\$1,218,108	Unit/Acre	N/A
Deferred Developer Fee (2)	\$0	\$0	\$0		
Gap Financing Required	\$2,104,654	\$625,282	\$106,239		
<b>TOTAL SOURCES</b>	<b>\$3,956,600</b>	<b>\$3,942,500</b>	<b>\$3,998,914</b>		
Permanent Gap Financing/Unit	<b>\$44,780</b>	<b>\$13,304</b>	<b>\$2,260</b>		
<b>PERMANENT USES OF FUNDS</b>				<b>Difference in Per Unit Cost Comared to "No Tax Credit" Scenario</b>	
Land Acquisition Costs	\$750,000	\$750,000	\$750,000	<b>4% Tax Credits</b>	<b>9% Tax Credits</b>
Direct Construction Costs	\$2,269,600	\$2,269,600	\$2,269,600	\$0	\$0
Permits and Fees	\$15,000	\$15,000	\$15,000	\$0	\$0
Soft Costs	\$867,000	\$895,200	\$909,300	\$600	\$900
Financing Costs	\$55,000	\$12,700	\$55,014	(\$900)	\$0
Developer Fee	\$0	\$0	\$0	\$0	\$0
<b>TOTAL COST</b>	<b>\$3,956,600</b>	<b>\$3,942,500</b>	<b>\$3,998,914</b>		
Total Cost Per Unit	\$84,183	\$83,883	\$85,083	(\$300)	\$900
<b>Assumptions and Calculations</b>					
<b>Tax Credit Basis</b>				<b>% of Cost in Basis (Exlucing Land)</b>	
Land Acquisition Costs	N/A	\$0	\$0		
Direct Construction Costs	N/A	\$2,269,600	\$2,269,600	100%	100%
Permits and Fees	N/A	\$15,000	\$15,000	100%	100%
Soft Costs	N/A	\$716,160	\$681,975	80%	75%
Financing Costs	N/A	\$6,985	\$41,261	55%	75%
Developer Overhead and Profit	N/A	\$0	\$0	100%	100%
Total Tax Credit Basis	N/A	\$3,007,745	\$3,007,836	94%	75%
Total Tax Credit Basis with 30% Boost (3)	N/A	<b>\$3,910,069</b>	<b>\$3,910,186</b>		
Tax Credit Rate (Per VHDA) (4)	N/A	3.26%	7.60%		
Annual Tax Credits (5)	N/A	\$127,468	\$297,174		
Tax Credit Pricing	N/A	\$0.90	\$0.90		

N/A = not applicable.

(1) Equals annual tax credits multiplied by tax credit pricing multiplied by 10 years.

(2) DRA did not estimate the deferred developer fees that could be used to reduce or close the gap.

(3) Projects located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible for a 30% basis boost.

(4) 2014 tax credit factors from the Virginia Housing Development Authority.

**Table 22**  
**Leveraged Financing Analysis: Rents and Supportable Mortgage**  
**Prototype #4: Multifamily Rental Rehabilitation**  
**Richmond Affordability Gap Analysis**

	Projections			Assumptions		
	No Tax Credits	4% Tax Credits, Tax Exempt Bonds	9% Tax Credits	No Tax Credits	4% Tax Credits, Tax Exempt Bonds	9% Tax Credits
<b>Number of Units by Income Level</b>				<b>Percent of Units by Income Level and Unit Bedroom Count</b>		
30% AMI				30% AMI	30% AMI	30% AMI
One Bedroom	0	0	0	0%	0%	0%
Two Bedroom	0	0	0	0%	0%	0%
Three Bedroom	0	0	0	0%	0%	0%
40% AMI				40% AMI	40% AMI	40% AMI
One Bedroom	0	0	5	0%	0%	56%
Two Bedroom	0	0	0	0%	0%	0%
Three Bedroom	0	0	0	0%	0%	0%
50% AMI				50% AMI	50% AMI	50% AMI
One Bedroom	0	0	4	0%	0%	44%
Two Bedroom	0	0	25	0%	0%	86%
Three Bedroom	0	0	0	0%	0%	0%
60% AMI				60% AMI	60% AMI	60% AMI
One Bedroom	9	9	0	100%	100%	0%
Two Bedroom	29	29	4	100%	100%	14%
Three Bedroom	9	9	9	100%	100%	100%
<b>Total Monthly Gross Rents</b>				<b>Monthly Rent by Income Level and Bedroom Count</b>		
30% AMI				30% AMI		
One Bedroom	\$0	\$0	\$0	One Bedroom	\$303	
Two Bedroom	\$0	\$0	\$0	Two Bedroom	\$362	
Three Bedroom	\$0	\$0	\$0	Three Bedroom	\$420	
40% AMI				40% AMI		
One Bedroom	\$0	\$0	\$2,200	One Bedroom	\$440	
Two Bedroom	\$0	\$0	\$0	Two Bedroom	\$526	
Three Bedroom	\$0	\$0	\$0	Three Bedroom	\$609	
50% AMI				50% AMI		
One Bedroom	\$0	\$0	\$2,304	One Bedroom	\$576	
Two Bedroom	\$0	\$0	\$17,250	Two Bedroom	\$690	
Three Bedroom	\$0	\$0	\$0	Three Bedroom	\$799	
60% AMI				60% AMI		
One Bedroom	\$6,417	\$6,417	\$0	One Bedroom	\$713	
Two Bedroom	\$24,766	\$24,766	\$3,416	Two Bedroom	\$854	
Three Bedroom	\$8,892	\$8,892	\$8,892	Three Bedroom	\$988	
<b>Total</b>	<b>\$40,075</b>	<b>\$40,075</b>	<b>\$34,062</b>			
Total Annual Gross Rents	\$480,900	\$480,900	\$408,744	<b>Total Number of Units: 47</b>		
Less: Vacancy	(\$14,427)	(\$14,427)	(\$12,262)			
Less: Operating Costs	(\$274,950)	(\$274,950)	(\$274,950)	One Bedroom	Two Bedroom	Three Bedroom
Less: Replacement Reserves	(\$14,100)	(\$14,100)	(\$14,100)	9	29	9
Net Operating Income	\$177,423	\$177,423	\$107,432			
Permanent Mortgage Amount	\$1,851,946	\$2,170,004	\$1,218,108			
Vacancy Rate	3.00%	3.00%	3.00%			
Annual Operating Cost Per Unit	\$5,850	\$5,850	\$5,850			
Annual Replace. Reserve/Unit	\$300	\$300	\$300			
Mortgage Interest Rate	7.00%	5.50%	6.20%			
Debt Coverage Ratio	1.20	1.20	1.20			
Term (Years)	30	30	30			

(1) 2014 tax credit factors from the Virginia Housing Development Authority.

**Table 23**  
**Utility Allowances**  
**Richmond Affordability Gap Analysis**

No. of Bedrooms	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Garden Apt., Walk-Up and Tonwhomes (1)</b>				
Heating				
Natural Gas				
Electric	\$40	\$49	\$57	\$69
Cooking				
Natural Gas	\$5	\$6	\$8	\$10
Electric				
Water Heating				
Natural Gas	\$13	\$16	\$20	\$25
Electric				
Other Electric	\$28	\$36	\$39	\$45
Air Conditioning	\$8	\$10	\$12	\$15
Natural Gas Customer Charge	\$13	\$13	\$13	\$13
<b>Total Tenant-Paid Utilities</b>	<b>\$107</b>	<b>\$130</b>	<b>\$149</b>	<b>\$177</b>
<b>Single-Family Detached Home (2)</b>				
Heating				
Natural Gas				
Electric	\$35	\$49	\$61	\$74
Cooking				
Natural Gas	\$5	\$8	\$8	\$10
Electric				
Water Heating				
Natural Gas	\$13	\$15	\$19	\$24
Electric				
Other Electric	\$28	\$36	\$39	\$45
Air Conditioning	\$12	\$15	\$19	\$24
Natural Gas Customer Charge	\$13	\$13	\$13	\$13
Sewer	\$22	\$30	\$38	\$47
Water	\$18	\$26	\$35	\$43
<b>Total Tenant-Paid Utilities</b>	<b>\$146</b>	<b>\$192</b>	<b>\$232</b>	<b>\$280</b>

(1) Assumes electric heating, "other electric", air conditioning, natural gas cooking and water heating for garden apartments, walk-ups and townhomes.

(2) Assumes electric heating, "other electric", air conditioning and natural gas cooking and water heating,



**Table 24**  
**Affordable Rents by Income Level**  
**Rental Apartments Prototype #3**  
**Richmond Affordability Gap Analysis**  
**2014**

**Assumptions**

2014 HUD Median Income, Richmond, VA				\$72,900
Affordable Housing Cost As a % of Income				30%
Project Vacancy Rate				5%
Annual Operating Cost Per Unit				\$4,100
Debt Coverage Ratio				1.20
Mortgage Interest Rate				7.00%
Mortgage Term				30
No. of Bedrooms	<b>One Bedroom</b>	<b>Two Bedroom</b>	<b>Three Bedroom</b>	
Household Size Adjustment (1)	1.5 Persons	3.0 Persons	4.5 Persons	
Household Size Income Adjust. Factor (2)	75%	90%	104%	
Utility Allowance (3)	\$107	\$130	\$149	
No. of Units in Renter Prototype	0	56	24	

**Affordable Rents by Income Level**

	<b>One Bedroom</b>	<b>Two Bedroom</b>	<b>Three Bedroom</b>
<b>Very Low Income</b>			
<u>30% of Median</u>			
Annual Gross Income	\$16,403	\$19,683	\$22,745
Affordable Monthly Housing Cost	\$410	\$492	\$569
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$303	\$362	\$420
<u>40% of Median</u>			
Annual Gross Income	\$21,870	\$26,244	\$30,326
Affordable Monthly Housing Cost	\$547	\$656	\$758
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$440	\$526	\$609
<u>50% of Median</u>			
Annual Gross Income	\$27,338	\$32,805	\$37,908
Affordable Monthly Housing Cost	\$683	\$820	\$948
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$576	\$690	\$799
<b>Low Income</b>			
<u>60% of Median</u>			
Annual Gross Income	\$32,805	\$39,366	\$45,490
Affordable Monthly Housing Cost	\$820	\$984	\$1,137
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$713	\$854	\$988
<u>80% of Median</u>			
Annual Gross Income	\$43,740	\$52,488	\$60,653
Affordable Monthly Housing Cost	\$1,094	\$1,312	\$1,516
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$987	\$1,182	\$1,367
<u>100% of Median</u>			
Annual Gross Income	\$54,675	\$65,610	\$75,816
Affordable Monthly Housing Cost	\$1,367	\$1,640	\$1,895
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$1,260	\$1,510	\$1,746
<u>120% of Median</u>			
Annual Gross Income	\$65,610	\$78,732	\$90,979
Affordable Monthly Housing Cost	\$1,640	\$1,968	\$2,274
Less: Monthly Utility Allowance	(\$107)	(\$130)	(\$149)
Affordable Monthly Rent	\$1,533	\$1,838	\$2,125

(1) At 1.5 persons per bedroom, per the requirement of the Low Income Housing Tax Credit Program.

(2) HUD published factors for adjusting household income by household size.

(3) Assumes electric heating and "other electric" and natural gas cooking and water heating for garden apartments, walk-ups and townhomes.

Source: Richmond Redevelopment and Housing Authority, effective 10/1/13.

Source: DRA.

**Table 25**  
**Affordable Mortgage By Income Level**  
**Owner Housing Prototypes**  
**Richmond Affordability Gap Analysis**  
**2014**

**ASSUMPTIONS**

2014 HUD Median Income, Richmond, VA	\$72,900			
Affordable Housing Cost As a % of Income	35%			
No. of Bedrooms		<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>
Household Size Adjustment (1)		2 Persons	3 Persons	4 Persons
Household Size Income Adjust. Factor (2)		80%	90%	100%
				<b>4 Bedroom</b>
				5 Persons
Monthly Property Insurance	\$75			
Property Tax Rate	1.20%			
Downpayment as a % of Affordable Home Price	5.00%			
Mortgage Interest Rate	6.00%			
Term (Years)	30			

**AFFORDABLE HOUSING PAYMENT (PITI)**

**Extremely Low Income**

30% AMI

Annual Gross Income		\$17,496	\$19,683	\$21,870	\$23,620
Affordable Monthly Housing Cost	35%	\$510	\$574	\$638	\$689
Less: Property Insurance		(\$75)	(\$75)	(\$75)	(\$75)
Less: Property Taxes/Assessments (3)	1.20%	(\$65)	(\$75)	(\$84)	(\$92)
Available for Principal and Interest		\$370	\$425	\$479	\$522
Supportable Mortgage		\$61,713	\$70,803	\$79,877	\$87,115
Afford. Sales Price w/ Downpmt. @	5.00%	\$65,000	\$74,500	<b>\$84,100</b>	\$91,700

**Very Low Income**

50% AMI

Annual Gross Income		\$29,160	\$32,805	\$36,450	\$39,366
Affordable Monthly Housing Cost	35%	\$851	\$957	\$1,063	\$1,148
Less: Property Insurance		(\$75)	(\$75)	(\$75)	(\$75)
Less: Property Taxes/Assessments (3)	1.20%	(\$116)	(\$132)	(\$148)	(\$160)
Available for Principal and Interest		\$660	\$750	\$840	\$913
Supportable Mortgage		\$110,099	\$125,144	\$140,172	\$152,231
Afford. Sales Price w/ Downpmt. @	5.00%	\$115,900	\$131,700	<b>\$147,500</b>	\$160,200

60% AMI

Annual Gross Income		\$34,992	\$39,366	\$43,740	\$47,239
Affordable Monthly Housing Cost	35%	\$1,021	\$1,148	\$1,276	\$1,378
Less: Property Insurance		(\$75)	(\$75)	(\$75)	(\$75)
Less: Property Taxes/Assessments (3)	1.20%	(\$141)	(\$160)	(\$179)	(\$195)
Available for Principal and Interest		\$805	\$913	\$1,022	\$1,108
Supportable Mortgage		\$134,217	\$152,231	\$170,394	\$184,872
Afford. Sales Price w/ Downpmt. @	5.00%	\$141,300	\$160,200	<b>\$179,400</b>	\$194,600

**Low Income**

80% AMI

Annual Gross Income		\$46,656	\$52,488	\$58,320	\$62,986
Affordable Monthly Housing Cost	35%	\$1,361	\$1,531	\$1,701	\$1,837
Less: Property Insurance		(\$75)	(\$75)	(\$75)	(\$75)
Less: Property Taxes/Assessments (3)	1.20%	(\$192)	(\$218)	(\$243)	(\$263)
Available for Principal and Interest		\$1,094	\$1,239	\$1,383	\$1,499
Supportable Mortgage		\$182,453	\$206,571	\$230,706	\$249,987
Afford. Sales Price w/ Downpmt. @	5.00%	\$192,100	\$217,400	<b>\$242,800</b>	\$263,100

**Moderate Income**

100% AMI

Annual Gross Income		\$58,320	\$65,610	\$72,900	\$78,732
Affordable Monthly Housing Cost	35%	\$1,701	\$1,914	\$2,126	\$2,296
Less: Property Insurance		(\$75)	(\$75)	(\$75)	(\$75)
Less: Property Taxes/Assessments (3)	1.20%	(\$243)	(\$275)	(\$306)	(\$332)
Available for Principal and Interest		\$1,383	\$1,564	\$1,745	\$1,889
Supportable Mortgage		\$230,706	\$260,912	\$291,001	\$315,119
Afford. Sales Price w/ Downpmt. @	5.00%	\$242,800	\$274,600	<b>\$306,300</b>	\$331,700

120% AMI

Annual Gross Income		\$69,984	\$78,732	\$87,480	\$94,478
Affordable Monthly Housing Cost	35%	\$2,041	\$2,296	\$2,552	\$2,756
Less: Property Insurance		(\$75)	(\$75)	(\$75)	(\$75)
Less: Property Taxes/Assessments (3)	1.20%	(\$294)	(\$332)	(\$370)	(\$400)
Available for Principal and Interest		\$1,672	\$1,889	\$2,107	\$2,281
Supportable Mortgage		\$278,942	\$315,119	\$351,447	\$380,385
Afford. Sales Price w/ Downpmt. @	5.00%	\$293,600	\$331,700	<b>\$369,900</b>	\$400,400

(1) At one person per bedroom.

(2) HUD published factors for adjusting household income by household size.

(3) Property taxes calculated based on assessed value equal to affordable sales price with downpayment.

Source: DRA.

# Appendix C: Existing Revenue Sources for Affordable Housing



City of Richmond, Virginia  
November 6, 2014



## Appendix C: Existing Revenue Sources for Affordable Housing



### PREPARED FOR:

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The summaries below describe affordable housing resources currently available to the City of Richmond from federal, state and local housing programs. We have organized this information into 5 tables.

## **1. Federal Grants Administered by the City of Richmond (Table 1)**

Federal programs administered by the City include Community Development Block Grants (CDBG)—inclusive of Section 108, Home Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Shelter Grants (ESG), and the Neighborhood Stabilization Program (NSP). Section 108 is the loan guarantee provision of the CDBG program. Section 108 provides localities with a source of financing for CDBG eligible activities by allowing them to borrow against future CDBG entitlements.

As the City uses its CDBG funding for a variety of community development activities in addition to housing, we have provided a CDBG activity summary from FY 2012 (the latest year available), showing that 24 percent (\$599,530) of total CDBG funds allocated by the City in 2012 supported housing-related activities. In 2010 and 2011, housing's share of the City's CDBG funding was 51 percent and 39 percent respectively, (\$3,132,477 and \$1,987,605).

The City reports having \$20 million in Section 108 borrowing authority, comprised of a \$9.875 million Business Loan Pool and a \$10.125 million Economic Development & Housing Loan Pool. The Business Loan Pool, which currently has no outstanding loans, cannot be used for affordable housing. The Economic Development & Housing Loan Pool is fully committed to projects that will close in 2015: \$7.5 million for permanent financing and \$2.625 million for construction loans with maturities of up to 36 months.

The data on federal funding reported below are from the City's 2015 Biennial Fiscal Plan. We have also reported allocation amounts provided by HUD (in italics), which are different than the amounts shown in the fiscal plan. The Fiscal Plan does not provide information on federal Program Income or HOME program match. Program Income consists of

interest and principal payments (including loan repayments) on loans funded by the City from the proceeds of federal housing and community development programs such as HOME and CDBG. Federal program regulations typically treat Program Income as program funds, subjecting Program Income to the same rules that apply to the program that served as the original source of funding. Program Income can be significant if an owner repays all or a portion of an existing HOME or CDBG loan in connection with a sale or senior loan refinancing.

## **2. City of Richmond Local Funds for Housing (Table 2)**

[The only reported local funding for housing is the Housing Trust Fund].  
[The City will confirm that the line item (\$1,000,000) in the 2015 Fiscal Plan—“Affordable Housing – Non CDBG Areas” is, in fact, the Trust Fund, and the source of money, e.g., General Fund]

## **3. Richmond Redevelopment Housing Authority Resources (RRHA) (Table 3)**

Table 3 summarizes RRHA resources. In addition to the information detailed in Table 3, RRHA received a Rental Assistance Demonstration (RAD) award to convert Fay Towers, a 200-unit Public Housing development constructed in 1971, into Section 8 housing, and to renovate or replace the entire development.

RRHA and the City of Richmond secured a HOPE VI grant of \$26.9 million from HUD in 1997 to revitalize Richmond's Blackwell community.

## **4. Virginia Housing Development Authority (VHDA) Low Income Housing Tax Credits (LIHTC) (Table 4)**

Table 4 reviews 9 percent and 4 percent Low Income Housing Tax Credit (LIHTC) activity in Richmond, detailing the number of LIHTC projects placed in service in Richmond since the inception of the LIHTC program, and the number of LIHTC projects placed in service each year from 2009 through 2013. Table 4 also notes VHDA's estimated 2014 statewide 9 percent LIHTC allocation.

Since the inception of the LIHTC program, approximately 54 developments receiving 9 percent LIHTCs have been placed in service in Richmond and approximately 20 developments receiving 4 percent LIHTCs have been placed in service, comprising 7,407 total units and 7,208 affordable units.

For the period 2009 through 2013, 17 developments receiving 9 percent LIHTCs have been placed in service in Richmond and 5 developments receiving 4 percent LIHTCs have been placed in service, for a total of 1,783 total units, and 1,751 affordable units.

VHDA divides its 9 percent LIHTC allocation into several pools, including a nonprofit pool (15 percent of the allocation), a local housing authority (LHA) pool (15 percent of the allocation), and five regional pools. Richmond is in the Richmond MSA pool, which is comprised of twenty counties and cities and receives 11.6 percent of VHDA's allocation. (The pool allocations indicated above are enumerated in VHDA's 2014 Qualified Allocation Plan (QAP) and are subject to change year-to-year in accordance with the terms of future QAPs.) In order to qualify for the LHA pool, a development must be sponsored by a local housing authority (or an industrial development authority if the locality does not have a local housing authority), as sole general partner or managing member (either directly or through a wholly owned subsidiary) or as landlord or seller of the land to a tax credit developer. VHDA does not count an award under the LHA pool as an award under the geographic pool in which the LHA project is located. The LHA pool was oversubscribed in 2013 and 2014 and, according to the VHDA staff, competition within the LHA pool is high.

##### **5. Private Activity Volume Cap (Table 5).**

Table 5 summarizes private activity volume cap allocations and utilization statewide between 2010 and 2015. While VHDA receives 43 percent of the State's allocation by statutory formula, it typically collects additional volume cap from other issuers in the state that have not used their statutory allocations. While VHDA has not provided information on forfeited cap, it is apparent from Table 5 that Virginia, like other states, has unused volume, chiefly because of the absence of demand from single family mortgage revenue bond programs.



## Richmond Affordable Housing Resources

<b>Table 1- Federal Grant Programs Administered by City of Richmond</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 - Proposed</b>
<b>HOME-Fiscal Plan</b>	2,266,727	1,993,860	804,045	1,103,415
<i>HOME-HUD</i>	<i>1,073,661</i>	<i>1,186,468</i>	<i>1,229,168</i>	NA
<b>HOPWA-Fiscal Plan</b>	797,113	817,603	668,368	1,078,026
<i>HOPWA-HUD</i>	<i>864,491</i>	<i>1,159,168</i>	<i>1,087,373</i>	NA
<b>NSP-Fiscal Plan</b>	444,916	439,332	2,300,000	2,300,000
<i>NSP-HUD</i>	NA	NA	NA	NA
<b>ESG-Fiscal Plan</b>	215,814	377,186	285,378	271,311
<i>ESG-HUD</i>	<i>380,505</i>	<i>285,590</i>	<i>347,193</i>	NA
<b>CDBG-Fiscal Plan</b>	4,838,031	2,763,428	2,936,031	3,974,572
<i>CDBG-HUD</i>	<i>3,914,708</i>	<i>4,273,733</i>	<i>4,200,532</i>	NA
<b>CDBG Activities (2012)</b>	<b>Type of Activity (2012)</b>	<b>Expenditure</b>		<b>Percentage</b>
	Acquisition	29,956		1.21
	Economic Development	319,472		12.90
	Housing	599,530		24.20
	Public Services	419,736		16.95
	General Administration and Planning	656,278		26.50
	Repayment of Section 108 Loans	451,952		18.25
	<b>Total</b>	<b>2,476,926</b>		<b>100.00</b>

Sources: 2015 Biennial Fiscal Plan. HUD Allocations: CPD Allocations and Awards (HUD Website). CDBG Activities: HUD CDBG Performance Profiles (HUD Website).

<b>Table 2 - City of Richmond Local Funds</b>				
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 - Proposed</b>
<b>Affordable Housing – Non CDBG Areas</b>	0	0	250,000	1,000,000

Source: 2015 Biennial Fiscal Plan.

<b>Table 3 - Richmond Redevelopment &amp; Housing Authority (RRHA) - 2013</b>	
<b>Housing Choice Vouchers</b>	\$25,837,168, ≈ 3,000 units
<b>Public Housing</b>	≈ 4,000 units, 19 developments
<b>Operating Subsidy</b>	\$21,321,722
<b>HUD Capital Grant</b>	\$7,757,342
<b>Replacement Housing Factor</b>	\$1,296,437
<b>HOPE VI</b>	\$2,480,000
<b>Tenant Rents/other</b>	\$9,593,129

Source: RRHA Annual 2012 / 2013 Report.



<b>Table 4 - VHDA Low Income Housing Tax Credits (LIHTC)</b>			
2014 Estimated Statewide LIHTC Allocation			\$18,998,931
<b>Richmond LIHTCs Placed In Service: 1987 to 2013</b>			
<b>Year/Type</b>	<b>Projects</b>	<b>Total Units</b>	<b>Affordable Units</b>
<b>Since Inception</b>			
9%	54	4,914	4,911
4%	20	2,493	2,297
<b>Total Since Inception</b>	<b>74</b>	<b>7,407</b>	<b>7,208</b>
<b>2013</b>			
9%	2	80	79
4%	2	188	188
<b>Total 2013</b>	<b>4</b>	<b>268</b>	<b>267</b>
<b>2012</b>			
9%	3	238	238
4%	0	0	0
<b>Total 2012</b>	<b>3</b>	<b>238</b>	<b>238</b>
<b>2011</b>			
9%	3	140	140
4%	1	143	112
<b>Total 2011</b>		<b>283</b>	<b>252</b>
<b>2010</b>			
<b>9%</b>	1	32	32
<b>4%</b>	0	0	0
<b>Total 2010</b>	<b>1</b>	<b>32</b>	<b>32</b>
<b>2009</b>			
9%	5	742	742
4%	2	220	220
<b>Total 2009</b>	<b>7</b>	<b>962</b>	<b>962</b>

Source: VHDA Tax Credit Property listing, updated January 3, 2014.



<b>Table 5 - 2014 Private Activity Bond Allocations</b>					
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	(Millions)				
Virginia Allocation	709	760	769	778	826
VHDA Allocation	505	715	753	712	355*
VHDA Multifamily Use	112	49	85	101	30
VHDA Single Family Use	0	0	287	0	0

\* Only the statutory 43% until fall-out and carry-forwards are determined at year-end.  
Source: Virginia Department of Housing and Community Development, Allocation of 2014 Ceiling for Private Activity Bonds.



# Appendix D: Affordable Housing Trust Fund: Revenue Options Analysis



City of Richmond, Virginia  
November 6, 2014



## Appendix D: Affordable Housing Trust Fund: Revenue Options Analysis



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## Appendices

- Appendix D1: Revenue Source Summary
- Appendix D2: Revenue Profiles





DRA has conducted an evaluation of potential revenue sources for the Richmond Affordable Housing Trust Fund (AHTF). For purposes of this analysis, the term “revenue source” means funds allocated to the AHTF that the AHTF in turn loans or grants to support the creation or preservation of affordable housing. The AHTF may also use such funds, in whole or in part, to pay debt service on bonds, the proceeds of which AHTF would use to invest in affordable housing.

In a memo from David Saltzman to Peter Chapman and Daniel Cohen dated April 15, 2014, DRA proposed to review various taxes and fees currently assessed by the City and detailed as budgetary line items of the General Fund Revenue Summary of the Richmond Biennial Fiscal Plan for Fiscal year 2015. In the same memo, DRA also proposed various new revenue options. In subsequent correspondence, Mr. Chapman and Mr. Cohen authorized DRA to proceed with an analysis of the revenue options detailed in the April 15 memo.

The Revenue Profiles, attached as Appendix D2, examine most of the existing revenue sources listed in the April 15 memo. When we have not prepared a Revenue Profile for a specific revenue option, we discuss that option in the body of this report. This is the case for each of the “new revenue options” enumerated in the April 15 Memo. Note that the Revenue Profiles include an analysis of one revenue option that we did not identify in our April 15 memo: a cigarette and tobacco tax. This tax is levied by most cities in Virginia but not by Richmond. Thirty cities in Virginia levy this tax, accounting for 1.12 percent of total city tax collections in the State.

In Appendix D1, Revenue Source Summary, we summarize the most feasible sources of AHTF revenue. We provide a more detailed discussion of these alternatives in Appendix D2.



## A. Trust Fund Revenue Sources: Top Prospects

The list below identifies revenue sources that DRA believes represent the best funding source options for the AHTF. DRA developed this list in consultation with City staff, taking into consideration two principal criteria: (1) revenue generation potential and (2) year-to-year consistency of revenue flow. The City should consider distributing tax and fee increases among a combination of the revenue sources listed below in order to maximize AHTF revenue while minimizing the impact on specific groups of taxpayers. The assumptions underlying revenue increase projections are detailed in Appendix D2 and Section E below.

<b>Existing Taxes</b>	<b>Revenue Increase Range</b>
1. Expiring Rehabilitation Tax Exemptions	\$0.6 - 5.6 million
2. Personal Property Tax on Vehicles	\$2.0 - 3.3 million
3. Machinery and Tools Tax	\$1.5 - 3.1 million
4. Prepared Food Tax	\$2.5 - 5.1 million
5. Lodging (Hotel Tax)	\$0.9 - 1.7 million
6. Vehicle License Fee	\$0.7 - 2.1 million
<b>New Tax</b>	
7. Cigarette and Tobacco Tax	\$4.1 - 6.7 million
<b>Total Annual Revenue</b>	<b>\$11.3 - 27.6 million</b>
<b>Reserve Funds</b>	
8. Asset Renewal/other	Available balances, if any TBD. Not a reoccurring revenue source

## B. Funding Strategies: General Fund or Dedicated Revenue

In considering AHTF revenue options, the City may choose among three primary options: (1) create a dedicated revenue stream from specified taxes and fees, (2) support the AHTF from annual appropriations out of its general fund, or (3) utilize a combination of options 1 and 2 above. If the AHTF is supported as a General Fund expenditure, then the City may not feel that its is necessary or appropriate to identify specific AHTF sources of revenue. Still, DRA's revenue analysis will be



valuable to the City, particularly if it chooses to contribute more than \$1 million to \$2 million per year to the AHTF, and needs to identify new revenue options to support higher contribution levels.

An advantage of a dedicated revenue stream is that it provides better assurances of long-term funding availability in comparison to general fund support. Dedicated funding would make the AHTF less vulnerable to the uncertainties of annual appropriations, although, depending on the funding source, there may still be significant year-to-year fluctuations in funding amounts.

### **C. General Obligation Bonds**

The City may issue general obligation (GO) bonds, deposit the bond proceeds with the AHTF to fund affordable housing projects, and use any of the revenue sources identified in this report to make debt service payments on the bonds. GO bond proceeds would obviously provide an immediate infusion of capital into the AHTF but would, in turn, reduce future income because funding sources would be diverted to pay bond debt service.

### **D. Limitations on Local Taxing Powers**

Virginia is a Dillon Rule state, giving the State legislature jurisdiction over local taxing powers, and prohibiting a local government from levying a new tax or increasing an existing tax unless it has the expressed authority to do so under State law. Many of the City's existing taxes and fees detailed in our April 15 memo are at their maximum levels permitted under State law, and the implication of the Dillon Rule is that the City cannot increase these taxes unless the State passes new legislation that increases the existing caps. The following taxes and fees are at their statutory ceilings in Richmond:

- Residential gas and electric utility taxes;
- Most business license fees;
- Local sales and use tax;
- Communications tax;
- Recordation tax; and
- Bank franchise tax.

## **E. Revenue Profiles of Existing Taxes and Fees**

For ease of review, we have organized the Revenue Profiles in Appendix D2 into two sections. The first section consists of taxes and fees that the City can currently increase without new State legislation, and the second section consists of the above noted taxes and fees that under current State law the City cannot increase. With regard to this latter category of taxes and fees, we have assumed that they are not realistic AHTF revenue options and, accordingly, we do not provide revenue projections.

The Revenue Profiles include revenue projection estimates, showing the revenue implications of “small” and “large” increases in taxation rates. The projections establish a realistic range of increased revenue. We established the upper end of the range by giving consideration to two primary constraints: (1) State statutory rate caps and (2) the reasonableness of the rate level relative to comparable jurisdictions.

We have provided comparable tax and fee rates, where available, from the following localities identified by City staff as appropriate comparable jurisdictions: Arlington, Chesapeake, Norfolk and Roanoke. The principal source of comparative tax data is a report on 2012 local tax rates titled Virginia Local Tax Rates, 2012, by John L. Knapp and Stephen C. Kulp. This report, which is updated annually, provides detailed tax and fee information on all cities and counties and selected incorporated towns.

## **F. New Fees and Taxes**

Except for the Cigarette and Tobacco Tax, the Revenue Profiles do not include evaluations of new taxes and fees. This is principally because, upon investigation, we have determined that many of the new revenue options identified in our April 15 memo are not authorized under State law, or because there is no reliable basis for projecting future revenue.

### **1. Residential and Commercial Impact Fees**

Virginia Code does not appear to authorize localities to impose impact fees on new development for any purpose other than to pay for the cost of road improvements. Absent expressed authority to impose impact fees on new development for other purposes, the Dillon Rule may preclude the City from assessing impact fees to generate revenue for the AHTF.



## **2. Inclusionary Housing In-Lieu Fees**

Division 10.1 of the City's Zoning Ordinance creates a voluntary Affordable Dwelling Units (ADU) program pursuant to Virginia Code § 15.2-2305. The City's ADU program allows a developer to increase the density of a residential development when it provides affordable dwelling units at the site. Several jurisdictions in Virginia have developed in-lieu fee rules that authorize developer contributions as an alternative means of compliance with inclusionary zoning requirements. These jurisdictions include Alexandria, Arlington and Fairfax. Section 36.H.6 of the Zoning Ordinance of the County of Arlington contains specific instructions on the calculation of in-lieu fees. Section 2-8145 of the Fairfax Zoning Ordinance authorizes the Affordable Dwelling Units Advisory Board to approve contributions to the Fairfax County Housing Trust Fund in lieu of building the required number of affordable units. The Alexandria in-lieu fee option appears to be a program policy, but it is not specifically mentioned in the zoning ordinance. Richmond's ADU program does not include an in-lieu fee option.

Based on discussions with City officials as well as DRA's review of residential development trends, it appears that developers seeking special use permits have requested higher residential densities for developments in certain City locations, including the Central Business District, Shockoe Bottom, and Manchester. Accordingly, market conditions in some City locations appear to be fueling the type of higher-density development that would allow the City to capture some in-lieu fee income for the AHTF. While in-lieu fee income will probably be small relative to the overall funding goals of AHTF, and would likely produce irregular revenue flows, it may be worthwhile to develop an in-lieu fee policy. Such a measure would create a more flexible ADU program that over time can promote more participation and, and at the very least provide intermittent revenue for the AHTF. However, it is important to emphasize the City cannot depend on in-lieu fees alone to sustain AHTF at a level of funding that will allow the City to meaningfully address its affordable housing needs.

## **3. Real Estate Transfer Tax**

Real Estate transfer taxes do not appear to be authorized under State law.



#### 4. Sale of City-Owned Land

As a matter of policy, the City does not own land and buildings where the current or intended future use of the property is for housing or other non-governmental purpose. Rather, the Richmond Redevelopment & Housing Authority (RRHA) is the principal public entity responsible for acquiring and controlling blighted properties. Based on conversations with City officials, we believe that most RRHA-owned properties possess characteristics that limit their value as a source of AHTF revenue. For example, many of the properties are blighted and have limited economic value. In addition, in some instances RRHA, as a public housing authority, may face restrictions on the use of property sale revenues due to HUD program income rules. Finally, when affordable housing is the intended end-use of an RRHA property, then we assume that RRHA will convey the properties to the purchasers by donation or seller financing. If the City/RRHA employ seller-financing (and loans are not forgiven over time), then they may receive loan repayment revenues over time that could, subject to HUD program income rules, serve as a modest and intermittent source of AHTF funding.

#### 5. Expiring Rehabilitation Property Tax Exemptions

Expiring rehabilitation property tax exemptions represent a potentially significant source of revenue for the AHTF. The City Assessor has prepared an analysis of expiring exemptions, which we reproduce below. We note that the proposed ordinance 2013-119 seeks to tap these funds for affordable housing, education and rapid transit. In the chart below, we assume that the AHTF receives one-third of the additional revenue that the City collects from expiring exemptions.

**Table 1: Projected Revenue Accrual**

Land Book Year	Expiring Applications	Revenue Accrual From Proposed Ordinance #2013-119									
		Calendar Year									
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	318	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628	\$ 767,628
2016	305		\$ 1,139,363	\$ 1,139,363	\$ 1,139,363	\$ 1,139,363	\$ 1,139,363	\$ 1,139,363	\$ 1,139,363	\$ 1,139,363	\$ 1,139,363
2017	534			\$ 1,201,200	\$ 1,201,200	\$ 1,201,200	\$ 1,201,200	\$ 1,201,200	\$ 1,201,200	\$ 1,201,200	\$ 1,201,200
2018	884				\$ 2,642,400	\$ 2,642,400	\$ 2,642,400	\$ 2,642,400	\$ 2,642,400	\$ 2,642,400	\$ 2,642,400
2019	1026					\$ 2,606,896	\$ 2,606,896	\$ 2,606,896	\$ 2,606,896	\$ 2,606,896	\$ 2,606,896
2020	1074						\$ 2,637,091	\$ 2,637,091	\$ 2,637,091	\$ 2,637,091	\$ 2,637,091
2021	1073							\$ 3,007,715	\$ 3,007,715	\$ 3,007,715	\$ 3,007,715
2022	892								\$ 2,881,577	\$ 2,881,577	\$ 2,881,577
2023	588									\$ 2,720,680	\$ 2,720,680
2024	281										\$ 1,381,453
<b>Annual Accumulation (at current)</b>		<b>\$767,628</b>	<b>\$1,906,991</b>	<b>\$3,108,191</b>	<b>\$5,750,591</b>	<b>\$8,357,487</b>	<b>\$10,994,578</b>	<b>\$14,002,292</b>	<b>\$16,883,869</b>	<b>\$19,604,549</b>	<b>\$20,986,003</b>
Housing 1/3 share		255,876	635,664	1,036,064	1,916,864	2,785,829	3,664,859	4,667,431	5,627,956	6,534,850	6,995,334
10/16/13											
Prepared by City Assessor											
										<b>10 Yr Accum.</b>	<b>\$ 102,362,180</b>



## 6. Tax Increment Financing

Tax Increment Financing (TIF) is a strategy that the City could employ to maximize TIF investment in the new construction and rehabilitation of affordable housing. In comparison to local governments in other states, localities in Virginia appear to use TIF relatively infrequently. This in large part is probably because Virginia's TIF statute prohibits local jurisdictions from making direct pledges of TIF revenue to private developers, a restriction that limits the number of scenarios in which affordable housing developments would qualify for meaningful financial assistance under the State's TIF law. Generally, these scenarios would be limited to projects that have significant site assembly or public infrastructure costs—costs that are typically TIF-eligible under the Virginia TIF statute.

Given the limitations of the State's TIF law, many jurisdictions in Virginia use an alternative TIF structure called TIF-by-Agreement. According to Bonnie France of McGuire Woods, a locality receiving incremental tax revenues through the TIF-by-Agreement structure must first pay those funds to an Economic Development Agency (EDA). In the case of Richmond, TIF payments could flow through either the local EDA or RRHA, but she noted that if the project is housing they might need to flow through RRHA. The City, for example, could enter into a TIF-by-Agreement with RRHA whereby it agrees to pay a specified percentage of taxes in support of a development. This structure allows for the use of various taxes and fees, including but not limited to real estate taxes, sales taxes, personal property taxes on vehicles, meals taxes, hotel taxes and others.

If Richmond wishes to pursue TIF strategies to finance affordable housing, we suggest further analysis to determine ownership structure requirements of the entity that owns the project receiving TIF funds, and if the City must use RRHA as the pass-through entity for affordable housing projects. With regard to ownership structure, Ms. France was not prepared to confirm that TIF revenues provided through a TIF-by-Agreement could finance a development owned by a for-profit limited partnership, a common ownership structure for affordable rental housing development financed with Low Income Housing Tax Credits.

## **7. Rainy Day Fund, Unassigned Funds, Other Reserves**

The City of Richmond General Fund maintains a Rainy Day Fund/Unassigned Fund balance of \$72.9 million in Fiscal Year 2014. The City proposes a Rainy Day Fund/Unassigned Fund balance of \$75 million for Fiscal Year 2015.

In addition, the City maintained other reserves of \$33.75 million in FY 2014 with that amount declining to a proposed \$20.3 million for FY 2015.

## **8. Condominium Conversion Fees**

Some jurisdictions suffering rapid real estate condominium speculation and conversion adopt condominium conversion fees to assist the jurisdiction in compensating from the loss of rental housing. Often, some speculative condominium conversions occur at the expense of low and moderate income renter households, who typically lose their homes when the units convert to condominium ownership. Currently, Richmond is not experiencing active conversion of apartments to condominiums. The City may wish to consider adopting a condominium conversion fee, perhaps triggered by market indicators that precede the rapid loss of rental stock to condominium conversions.

## **9. Parking Violations**

In Fiscal Year 2014, the City collected \$1.2 million in parking fees and permits and an additional \$5.2 million in revenues from parking violations. However, for Fiscal Year 2015, no General Fund revenue is projected from parking fees, permits or violations. It appears that parking fee and violation revenue is now dedicated to an enterprise fund of the City and not available to the General Fund.





# Appendix D1: Revenue Source Summary



**Appendix A: Revenue Source Summary**

<b>Revenue Source</b>	<b>Current Revenue</b>	<b>Revenue Increase Projections</b>	<b>Advantages</b>	<b>Disadvantages</b>
1. Real Property Taxes	\$219,000,000	\$1.0 million- \$3.8 million		City's Current tax rate is highest among comparable jurisdictions.
1.1. Expiring Rehabilitation Property Tax Exemptions	0	Housing allocation based on 1/3 share of increment: 2015: \$0.2 million 2016: \$0.6 million 2017: \$1.0 million 2018: \$1.9 million 2019: \$2.8 million 2020: \$3.7 million 2021: \$4.7 million 2022: \$5.6 million	Significant revenue after 6 years. Does not require rate increase.	Proposed ordinance shares revenue with education and transit. Revenues escalate over time, with small inflows in early years, especially if housing receives 1/3 share.
2. Personal Property Tax On Vehicles	\$29,791,300	\$2.0 million- \$3.3 million	Nominal rate is less than statewide median, although effective rate is slightly higher than median.	
3. Machinery & Tools Tax	\$15,500,000	\$1.5 million- \$3.1 million		Limited revenue.
4. Consumer Utility Taxes	\$16,800,000	NA		City can only increase non-residential rates, as residential rates are at the state max. Existing rates appear high relative to comparable jurisdictions.

5. Prepared Food Tax	\$30,000,000	\$2.5 million- \$5.0 million		Current rate is higher than all comps except Norfolk.
6. Lodging (Hotel) Tax	\$7,100,000	\$0.9 million \$1.7 million		Limited revenue. Potential restrictions related to obligation to support Richmond Convention Center
7. Business License Fees	\$34,000,000	NA		Limited revenue as most fees are at maximum rate allowed by the State.
8. Vehicle License Fee	\$3,700,000	\$0.7 million \$2.1 million		Limited revenue.
9. Cigarette and Tobacco Tax	0	\$4.1 million \$6.7 million	Significant revenue potential. All comps assess tax and it is widely used throughout State.	
10. Inclusionary Housing In-Lieu Fees	0	NA	Funds must be used for affordable housing	Limited and uneven revenue.
11. Sale of City-Owned Land	0	NA		Limited and uneven revenue.
12. Reserve Funds	<u>2015 Balances:</u> Rainy Day/ unassigned: \$75,000,000 Asset Renewal/other: \$20,268,786	Available balances, if any, TBD	Possible AHTF one-time "start up" capital. Asset renewal fund may be an appropriate funding source for RRHA properties	



# Appendix D2: Revenue Profiles

<b>Real Property Taxes.....</b>	<b>D2-1</b>
<b>Personal Property Tax On Vehicles .....</b>	<b>D2-2</b>
<b>Machinery &amp; Tools Tax.....</b>	<b>D2-3</b>
<b>Consumer Utility Taxes .....</b>	<b>D2-4</b>
<b>Prepared Food Tax .....</b>	<b>D2-6</b>
<b>Lodging (Hotel) Tax.....</b>	<b>D2-7</b>
<b>Business License Fees .....</b>	<b>D2-8</b>
<b>Vehicle License Fee .....</b>	<b>D2-9</b>
<b>Cigarette and Tobacco Tax.....</b>	<b>D2-10</b>
<b>Local Sales and Use Tax .....</b>	<b>D2-11</b>
<b>Communications Tax.....</b>	<b>D2-12</b>
<b>Recordation Tax .....</b>	<b>D2-13</b>
<b>Bank Franchise Tax.....</b>	<b>D2-14</b>



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Real Property Taxes

<b>Current Assessment Level</b>	<b>Real Property Taxes</b>	<b>2014</b>	<b>2015 Proposed</b>
	Current Taxes	\$217,507,000	\$219,000,000
	Delinquent	\$8,597,200	\$9,000,000
	<b>TOTAL</b>	<b>\$224,104,200</b>	<b>\$228,000,000</b>

Tax Rate: \$1.20 per \$100 assessed valuation

**Current Uses**            General Fund

**Approval Process**        City Ordinance

<b>Revenue Projection</b>	<b>Tax Rate per \$100 AV</b>	<b>Assessment</b>	<b>Change</b>
	\$1.20 ( <i>Current Rate</i> )	\$228,000,000	\$0
	\$1.205	\$228,950,000	\$950,000
	\$1.21	\$229,900,000	\$1,900,000
	\$1.22	\$231,800,000	\$3,800,000

<b>Comparisons</b>	<b>City</b>	<b>Statutory Tax Rate per \$100 AV</b>	<b>Effective Rate per \$100 AV</b>	<b>Typical Tax on Residence</b>
	<i>Richmond</i>	\$1.20	\$1.21	\$2,280
	Arlington	\$1.00	\$0.92	
	Chesapeake	\$1.05	\$1.01	\$2,257
	Norfolk	\$1.15	\$1.11	\$2,214
	Roanoke	\$1.19	\$1.13	

**Discussion**            The Code of Virginia, §§ 58.1-3200 through 58.1-3389, authorizes localities to levy taxes on real property. There is no restriction on the tax rate that may be imposed.

One potential mechanism of funding support for the AHTF would be to capture a portion of the incremental tax revenue arising from the expiration of rehabilitation tax abatements. A detailed discussion of this option appears in the memo that accompanies this report.



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Personal Property Tax On Vehicles

Current Assessment Level		2014	2015 Proposed
	<b>Personal Property Tax</b>		\$26,793,600
Personal Property Tax Relief		\$16,708,700	\$16,708,700
Delinquent		\$5,978,000	\$11,000,000
<b>TOTAL</b>		<b>\$49,480,300</b>	<b>\$57,500,000</b>

Tax Rate: \$3.70 per \$100 of assessed value for passenger vehicles, boats, farming equipment and trucks with a gross vehicle weight of less than 10,000 lbs. \$2.30 per \$100 of assessed value for trucks, for-hire or apportioned, with a gross vehicle weight of 10,000 lbs. or more. (Fiscal Plan, P 10-5; Individual (Vehicle) Personal Property Tax FAQ, Richmond.gov web site).

<b>Current Uses</b>	General Fund
<b>Approval Process</b>	City Ordinance

Revenue Projection	Personal Property tax Statutory Rate Per \$100	Adjusted Effective per \$100	Revenue	Increase
		\$3.70 (current)	\$3.11 (Current)	\$40,491,300
	\$3.885 (5% increase)	\$3.27 (est.)	\$42,830,865	\$2,039,565
	\$4.00 (8.11% increase)	\$3.36 (est.)	\$44,095,395	\$3,304,095

Adjusted effective rates were derived by Knapp and Kulp to account for different valuation methods employed by jurisdictions. This allows for more accurate comparisons across jurisdictions. We assume that assessments on any other category of personal property that is not assessed at the current rate of \$3.70 per \$100 of assessed valuation will increase proportionately, including for-hire trucks that weigh in excess of 10,000 lbs. These trucks are currently taxed at a rate of \$2.30 per \$100 of assessed valuation.

We assume that the Personal Property Tax Relief reimbursement is a fixed amount that is not subject to change without state legislation.

Comparisons	City	Nominal Rate per \$100	Adjusted Effective Rate per \$100
	Richmond	\$3.70	\$3.11
	Arlington	\$5.00	\$3.75
	Chesapeake	\$4.08	\$3.00
	Norfolk	\$4.33	\$3.25
	Roanoke	\$3.45	\$2.59

**Discussion** Richmond's current nominal rate of \$3.70 is less than the median rate of \$4.00 for cities in Virginia, and its adjusted effective rate of \$3.11 is slightly higher than the median adjusted effective rate of \$3.06 for cities in Virginia.



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Machinery & Tools Tax

<b>Current Assessment Level</b>		<b>2014</b>	<b>2015 Proposed</b>
	<b>Machinery &amp; Tools Tax</b>	\$15,519,200	\$15,500,000

Tax Rate: Statutory rate \$2.30 per \$100 assessed value (original cost), adjusted annually, based upon the age of the equipment as follows: 90% of original cost 1st year, descending 10%/yr to 40% in 6th year and thereafter.

**Current Uses**            General Fund

**Approval Process**            City Ordinance

<b>Revenue Projection</b>	<b>Tax Rate per \$100</b>	<b>Revenue</b>	<b>Tax on 5-year-old \$100,000 Property</b>	<b>Change</b>
	\$2.30 (Current Rate)	\$15,500,000	\$1,150	\$0
	\$2.53 (10% increase)	\$17,050,000	\$1,265	\$1,550,000
	\$2.76 (20% increase)	\$18,600,000	\$1,380	\$3,100,000

<b>Comparison</b>	<b>City</b>	<b>Statutory Tax Rate per \$100</b>	<b>Adjusted Effective per \$100</b>	<b>Tax on 5-year-old \$100,000 Property</b>
	<i>Richmond</i>	<b>\$2.30</b>	90% of original cost 1st year, descending 10%/yr. to 40% in 6th and thereafter	\$1,150
	Arlington	\$5.00	80% of original cost 1st year, descending 10%/yr. to 20% in 7th and thereafter	\$2,000
	Chesapeake	\$1.00	20% of original cost every year	\$640
	Norfolk	\$4.25	40% of original cost every year	\$1,700
	Roanoke	\$3.45	60% of original cost 1st year, descending 10%/yr. to 20% 5th and thereafter	\$690

Rates among jurisdictions are not directly comparable given different effective rates and assessment schedules.

**Discussion**





**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Consumer Utility Taxes

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**Current  
Assessment Level**

<b>Consumer Utility Taxes</b>	<b>2014</b>	<b>2015 Proposed</b>
Electric Consumer Tax	\$12,146,100	\$12,200,000
Gas Consumer Tax	\$4,654,700	\$4,600,000

**Tax Rates:**

**Residential Electric:** \$1.40 plus \$0.015116 per kwh not to exceed \$4.00 per month.

**Commercial Electric:** \$2.75 plus \$0.016462 per kwh.

**Industrial Electric:** \$2.75 plus \$0.11952 per kwh

**Residential Gas:** \$1.78 plus \$0.10091 per 100 CCF not to exceed \$4.00 per month.

**Commercial and Industrial Gas:**

Small volume user: \$2.88 plus \$0.1739027 per ccf

Large volume user: \$24.00 plus \$0.07163081 per ccf

Industrial user: \$120.00 plus \$0.011835 per ccf

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**Current Uses**

General Fund

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**Approval Process**

Residential gas and electric are at their maximum rates permitted by state statute and cannot be increased without state legislation. Commercial and industrial consumer utility taxes are not subject to a statutory cap and may be increased by City ordinance.

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**Revenue  
Projection**

*(We need a breakdown of residential and commercial/industrial tax revenue to prepare a revenue projection)*

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**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

<b>Comparisons</b>	<b>City</b>	
	Richmond	<b>Commercial Electric:</b> \$2.75+\$0.016462 per kwh. <b>Industrial Electric:</b> \$2.75 +\$0.11952 per kwh <b>Commercial and Industrial Gas:</b> Small volume user: \$2.88 plus \$0.1739027 per ccf Large volume user: \$24.00 plus \$0.07163081 per ccf Industrial user: \$120.00 plus \$0.011835 per ccf
	Arlington	<b>Commercial Electric:</b> \$1.15 + \$0.004989/kwh <b>Industrial Electric:</b> \$1.15 + \$0.008022/kwh <b>Commercial Gas:</b> \$0.845 + \$0.05017/ccf; interruptible <b>Non-residential:</b> \$4.50+ \$0.00913/ccf <b>Industrial Gas:</b> \$0.845 + \$0.05017/ccf; interruptible
	Chesapeake	<b>Commercial Electric:</b> \$2.87+\$0.0171/kwh; \$112.50 Maximum <b>Industrial Electric:</b> \$2.87/meter + \$0.0251/kwh\$112.50 Maximum <b>Commercial Gas:</b> \$4.00/meter + \$0.155/ccf; \$112.50 max <b>Industrial Gas:</b> \$4.00/meter + \$0.155/ccf; \$112.50 max
	Norfolk	<b>Commercial Electric:</b> \$1.38 + \$0.017933/kwh on first 537 kwh; \$0.006330/kwh thereafter <b>Industrial Electric:</b> \$2.87 + \$0.017933/kwh on first 3,625,100 kwh; \$0.004014/kwh thereafter; \$53,000 max <b>Commercial Gas:</b> \$3.225 + \$0.167821/ccf on first 70 ccf; \$0.161552/ccf, on 70-430 ccf; \$0.15363/ccf thereafter; \$500 max <b>Industrial Gas:</b> \$3.225 + \$0.167821/ccf on first 70 ccf; \$0.161552/ccf, on 70-430 ccf; \$0.15363/ccf thereafter; \$599 max
<b>Comparisons (Continued)</b>	Roanoke	<b>Commercial Electric:</b> \$0.00800/kwh on first 1,000 kwh; \$0.00540/kwh thereafter; or 12% times min. provider charge <b>Industrial Electric:</b> \$0.00680/kwh on first 1,000 kwh; \$0.00395/kwh thereafter; or 12% times min. provider charge <b>Commercial Gas:</b> Greater of \$0.08/ccf or 12% min. provider charge <b>Industrial Gas:</b> Greater of \$0.08/ccf or 12% min. provider charge

**Discussion** Note that the residential user caps of \$4.00 mean that large homes pay the same tax as small homes because the cap is reached after just 172 kwh consumption.



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Prepared Food Tax

**Current  
Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Prepared Food Tax</b>	\$28,328,500	\$30,000,000

Prepared Food: 6% on prepared foods in addition to the sales tax.

**Current Uses**

General Fund

**Approval Process**

City Ordinance

**Revenue  
Projection**

<b>Tax Rate</b>	<b>Assessment</b>	<b>Change</b>
<i>6.0% (Current Rate)</i>	<i>\$30,000,000</i>	<i>\$0</i>
6.5%	\$32,500,000	\$2,500,000
7.0%	\$35,000,000	\$5,000,000

Estimates based on \$500 million in prepared food sales.

**Comparisons**

<b>City</b>	<b>Statutory Tax Rate %</b>
<i>Richmond</i>	<i>6.0</i>
Arlington	4.0 (4% limits for counties only)
Chesapeake	5.5
Norfolk	6.5
Roanoke	5.0

**Discussion**

The 6.0% prepared food tax rate levied by Richmond is also the median rate among all cities in Virginia.

**Meals Tax Rates, 2012**

Rate	#Cities
3.1-4%	7
4.1-5%	5
5.1-6%	16
6.1-7%	8
7.1-8%	3



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Lodging (Hotel) Tax

**Current  
Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Hotel Tax</b>	\$5,938,300	\$7,100,000

**Current Uses**

Hotel Tax pledged to the Greater Richmond Convention Center.

**Approval Process**

City Ordinance.

**Revenue  
Projection**

<b>Tax Rate</b>	<b>Assessment</b>	<b>Change</b>
8% ( <i>Current Rate</i> )	\$7,100,000	\$0
9%	\$7,987,500	\$887,500
10%	\$8,875,000	\$1,775,000

Tax receipt estimates are based on hotel room rental receipts of \$88,750,000 multiplied by the applicable tax rate.

**Comparisons**

<b>City</b>	<b>Statutory Tax Rate %</b>
<i>Richmond</i>	8.0
Arlington	5.2
Chesapeake	8.0
Norfolk	8.0 + \$1 per night
Roanoke	8.0

**Discussion**

The City's 8.0% rate is above the statewide median of 6% for cities and 5% for counties and towns. Among 37 cities surveyed by Knapp, only 2 had rates over 8% (Emporia and parts of Virginia Beach), and no counties had rates above 8%.

The tax appears to support the operation of the Greater Richmond Convention Center. Accordingly, there may be restrictions on its use for other purposes.



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

**Business License Fees**

**Current  
Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Business License Fees</b>	\$30,830,100	\$34,000,000

For all categories with \$100,000 or less in gross receipts: \$30 fee (only).  
 Wholesale Merchants: \$0.22 per \$100 of gross purchases.  
 Retail Merchants: \$0.20 per \$100 of gross receipts.  
 Professional Occupations: \$0.58 per \$100 of gross receipts.  
 Contractors: \$0.19 per \$100 of gross contracts and/or 1.50% of fees from contracts on a fee basis.  
 Personnel Services: \$0.36 per \$100 of gross receipts .

**Current Uses**

General Fund

**Approval  
Process**

Approved and administered by City, subject to State statutory maximums. Statutory maximum rates vary by business classification, as detailed below.

Flat Fees: Per §58.1-3703, there appears to be a statutory max fee of \$50. The City imposes a flat fee of \$30 for business with \$100,000 or less in gross receipts.  
 Wholesale Merchants: The City's rate of \$0.22 is above the statutory maximum of \$0.05 and presumably operates under the statute's grandfather clause.  
 Retail Merchants: The statutory maximum is \$0.20.  
 Professional Occupations: The statutory maximum is \$0.58.  
 Contractors: The City's rate of \$0.19 is above the statutory maximum of \$0.16 and presumably operates under the statute's grandfather clause.  
 Personnel Services: The statutory maximum is \$0.36.

Based on the discussion above, most business licensee fees and taxes are at the maximum rate allowed under State statute. We believe that the City could increase fees charged to businesses with \$100,000 or less in gross receipts to \$50 from the current level of \$30.

**Revenue  
Projection**

Per State statute, the only fee the City can increase is the \$30 "Flat Fee" that it imposes on businesses with less than \$100,000 in gross receipts, and which is subject to a the statutory cap of \$50. All other categories of business license fees are at their respective statutory caps.

We are not able to provide an estimate of additional revenue resulting from an increase in the business license fee from its current level of \$30 because we do not have information on the number of business with \$100,000 or less in gross receipts.

**Discussion**

Business license fees are not a realistic source of funding for the Trust Fund, as the Flat Fee is the only category of fee the City can increase, and even a \$20 increase, up to the State statutory maximum of \$50, would yield limited incremental revenue.



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

**Vehicle License Fee**

**Current Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Vehicle License Fee</b>	\$3,362,200	\$3,700,000

**Private Passenger Vehicles:** \$23 on 4,000 lbs. or less; \$28 on 4,001 lbs. or more

**Trucks:** Rates graduated in accordance with gross weight; Minimum rate \$24; maximum rate \$250.

**Current Uses**

General Fund

**Approval Process**

The City may increase the vehicle license subject to State statutory limits of \$38 for vehicles 4,000 pounds or less and \$43 for heavier vehicles.

**Revenue Projection**

<b>Vehicle License Fee</b>	<b>% Increase</b>	<b>Revenues</b>	<b>Change</b>
<b>A. &lt;= 4,000 lbs.</b>			
<b>B. &gt; 4,000 lbs.</b>			
A. \$23 (Current Rate)	0%	\$3,700,000	\$0
B. \$28 (Current Rate)			
A. \$27.6	20%	\$4,440,000	\$740,000
B. \$33.6			
A. \$38 (Maximum Rate)	A. 65%	\$5,883,000*	\$2,183,000
B. \$43 (Maximum Rate)	B. 54%		

\*Assumes a blended increase of 59%.

**Comparisons**

<b>City</b>	<b>4,000 Lbs. &amp; Under</b>	<b>Over 4,000 LBS</b>
Richmond	\$23.00	\$28.00
Arlington	\$33.00	\$33.00
Chesapeake	\$23.00	\$28.00
Norfolk	\$26.00	\$31.00
Roanoke	\$20.00	\$20.00

**Discussion**

The City's \$23.00 rate for vehicles 4,000 lbs. and under is less than the statewide median of \$26.00, placing it in the 1<sup>st</sup> quartile among cities. No city assesses the maximum rate allowed under state law.



**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Cigarette and Tobacco Tax

**Current Assessment Level**

	2014	2015 Proposed
<b>Cigarette and Tobacco Tax</b>	NA	NA

**Current Uses**

NA

**Approval Process**

City Ordinance

**Revenue Projection**

The table below estimates potential cigarette tax revenue in Richmond by comparing Richmond with cities that have similar populations and that impose a cigarette tax, and then deriving an estimate by extrapolation.

City	Population	Revenue per Capita	2015 Budget Projection
Richmond	204,214	<i>Estimates</i>	<i>Estimates</i>
		\$20.33	\$4,152,000
		\$28.77	\$5,875,000
		\$32.93	\$6,724,344
Chesapeake	222,209	\$20.33	\$4,518,150
Newport News	180,719	\$28.77	\$5,200,000
Norfolk	242,803	\$32.93	\$7,995,000

**Comparisons**

City	Tax
Richmond	\$0
Arlington	\$0.30 (20 cig)
	\$0.375 (25 cig)
Chesapeake	\$0.50 (20 cig)
	\$0.625 (25 cig)
	\$0.75 (30 cig)
Norfolk	\$0.85 (20 cig)
	\$0.935 (25 cig)
Roanoke	\$0.54

**Discussion**

Richmond does not levy a cigarette and tobacco tax; however, 30 cities in Virginia levy this tax at a median rate of \$0.33 per pack. In 2011 it accounted for 1.12 percent of the taxes collected by cities. Other than Arlington and Fairfax, no counties in Virginia assess a cigarette tax.





**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Local Sales and Use Tax

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**Current  
Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Local Sales &amp; Use Tax</b>	\$31,925,700	\$32,500,000

The Code of Virginia § 58.1-605 permits cities and counties to establish a retail sales tax at a rate of 1%. The City assessment appears to be at the maximum rate allowed under state law.

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**Current Uses**            General Fund

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**Approval Process**        State legislation is required to increase the current rate.

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**Revenue  
Projection**                NA

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**Discussion**                The local sales and use tax is not a realistic source given requirement of state legislation to authorize an increase.

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**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Communications Tax

---

**Current  
Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Communications Tax</b>	\$17,048,800	\$17,200,000

---

**Current Uses**

General Fund

---

**Approval Process**

State legislation is required to increase the communications tax.

---

**Revenue  
Projection**

NA

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**Discussion**

The state collects the tax and distributes funds to the localities.

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**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Recordation Tax

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**Current  
Assessment Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Recordation Tax</b>	\$820,100	\$750,000

**Deeds:** The state assesses a tax of \$0.25 on every \$100 of the value of the property conveyed. An additional tax may be imposed by localities equal to one-third of the state tax, or \$0.083 on the first \$10 million.

**Deeds of Trust or Mortgages:**

(figures in parentheses are rates applied to refinancings)

On the first 10 million, \$0.25 (\$0.18) on every \$100 or portion thereof;

On the next 10 million, \$0.22 (\$0.16) on every \$100 or portion thereof;

On the next 10 million, \$0.19 (\$0.14) on every \$100 or portion thereof;

On the next 10 million, \$0.16 (\$0.12) on every \$100 or portion thereof;

Over 40 million, \$0.13 (\$0.10) on every \$100 or portion thereof.

An additional tax may be imposed by localities equal to one-third of the state tax.

Grantor Tax: \$0.50 on every \$500 of the or value of the interest.

Richmond appears to access the maximum recordation tax permitted by state law.

---

**Current Uses**

General Fund

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**Approval Process**

State legislation is required to increase the local recordation tax rate.

---

**Revenue  
Projection**

NA

---

**Discussion**

*(We need to confirm that the City imposes the maximum rate, as the recordation tax revenue seems low.)*

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**Affordable Housing Trust Fund Revenue Options  
City of Richmond**

## Bank Franchise Tax

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**Current  
Assessment  
Level**

	<b>2014</b>	<b>2015 Proposed</b>
<b>Bank Franchise Tax</b>	\$8,386,700	\$8,800,000

Tax Rate: \$0.80 on each \$100 of value of bank stock.

---

**Current Uses**

General Fund

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**Approval  
Process**

State legislation is required to increase the local Bank Franchise Tax rate. The City's portion of the Bank Franchise Tax is currently at the maximum level permitted under state law (Knapp. Pp. 256-257).

---

**Revenue  
Projection**

NA

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**Discussion**

State approval required for an increase in the tax rate.

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