



CHIEF ADMINISTRATIVE OFFICE

September, 22, 2025

Richmond City Council
900 E Broad Street
Richmond, VA 23219

Greetings Honorable City of Richmond Council Members,

I am writing to share concerns about ORD-2025-208, the proposed ordinance to set a new tax rate. The proposed new tax rate would mean removing more than \$17 million in projected revenue from the city, potentially forcing tough cuts to workforce, disruptions to operations, and lowering the overall quality of core services provided to residents.

As previously noted, the administration has serious concerns about the impact this ordinance would have on Richmond residents. Real estate tax revenue is the single largest source of funding for the City's General Fund, supporting schools, parks, public safety, trash pickup, and community centers. Fifty-seven percent of the City's revenue comes from general fund taxes, and every penny of the tax rate generates approximately \$4.3 million in revenue. A four-cent reduction would reduce revenue by approximately \$17.2 million, forcing the City to make difficult choices that would compromise essential services, negatively impact funds available to deliver operations, and potentially hinder our ability to honor our commitment to our workforce.

While a lower rate may sound like relief, a rollback will not meaningfully help low- and middle-income residents. Further it will not benefit the majority of Richmonders, who are renters. Instead, it disproportionately benefits the wealthiest homeowners and corporations. Keeping the rate at \$1.20 ensures the City can continue delivering critical programs and services, making meaningful progress on infrastructure, while maintaining core services that so many residents rely on every day.

To further illuminate the City's commitments made by the passage of the FY2026 budget, the impact of removing more than \$17 million from the current fiscal year budget, and the impact on residents I have attached an illustration on the projected impact.

In Service,

Odie Donald II, MBA
Chief Administrative Officer