



City of Richmond

Minutes

Finance and Economic Development Standing Committee

Thursday, June 18, 2020

1:00 PM

Council Chamber, 2nd Floor – Virtual Meeting

Committee Members and Others in Attendance

The Honorable Michael Jones – Chair
The Honorable Kristen Larson – Vice Chair
The Honorable Ellen F. Robertson – Committee Member
Lawrence Anderson, Council Chief of Staff
Samson Anderson, Council Budget Analyst
Meghan Brown, Deputy Council Chief of Staff
Bill Echelberger, Council Budget Analyst
Allison Miessler, Boards and Commissions Administrator
Tabrica Rentz, Acting Deputy City Attorney
Dominique Thaxton, Assistant City Clerk
RJ Warren, Deputy City Clerk

Electronic Meeting Announcement

Assistant City Clerk Dominique J. Thaxton, in accordance with Ordinance No. 2020-093, adopted April 9, 2020, announced the meeting would be held through electronic communication means. Assistant City Clerk Thaxton stated notice of the meeting was provided to the public through a public information advisory issued on June 12, 2020, and through Legistar on the city website in accordance with usual practice. She also stated members of the public were encouraged to provide comments in writing prior to the meeting and all comments received prior to 10:00 a.m., on Thursday, June 18, 2020, were provided to committee members. Ms. Thaxton indicated that members of the public who signed up to speak and provide comment would be called to speak at the appropriate time.

Call to Order

Chair Michael Jones called the meeting to order at 1:02 p.m., and presided.

Public Comment Period

There were no public comment speakers.

Citizen Speaker Guidelines

Upon the Chair's request, Assistant City Clerk Dominique J. Thaxton provided citizen speaker guidelines.

Agenda Amendments

Member Ellen Robertson moved to amend the agenda as follows:

ORD. 2019-275

To amend ch. 6 of the City Code by adding therein a new art. XII (§§ 6-596-6-602) to establish a technology zone program in accordance with Va. Code § 58.1-3850, for the purpose of facilitating the development and location of technology businesses in the city of Richmond, capital investment, and job creation.

Patron: Mr. Addison

To be continued to the July 16, 2020 Finance and Economic Development Standing Committee meeting

ORD. 2019-276

To amend City Code §§ 26-872, concerning definitions related to license taxes, and 26-989, concerning licenses taxes for personal services businesses, and to amend ch. 26, art. XV, div. 2 of the City Code by adding therein a new section numbered 26-1003.1, concerning the license tax for technology businesses, for the purpose of creating a new business, profession, and occupation license category called "technology business" and imposing a new license tax on such businesses.

Patron: Mr. Addison

To be continued to the July 16, 2020 Finance and Economic Development Standing Committee meeting

The motion was seconded and unanimously approved.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of the Thursday, May 21, 2020 committee meeting, and the committee approved the minutes as presented.

Board Vacancies

Allison Miessler, boards and commissions administrator reviewed board applications for consideration by the committee. Ms. Miessler expressed that the Board of Directors of the Economic Development Authority requested continuance of the recommendations to allow for more applications.

Member Ellen Robertson moved to continue consideration of recommendations for appointment to the Board of Directors of the Economic Development Authority to the July 16, 2020 Finance and Economic Development Standing Committee meeting, which was seconded

Chair Michael Jones stated that he would like to ensure that the recommendation is not held in committee and requested the committee move forward with recommendations at the next committee meeting, whether there are new applicants or not.

There were no further comments or discussions and the **motion was unanimously approved.**

Ms. Miessler informed Chair Jones that the clerk's office will provide information regarding new applicants to the committee at least one week prior to the next meeting.

A copy of the material provided has been filed.

Papers for Consideration

The following ordinance was considered:

ORD. 2020-129

To amend Ord. No. 2019-274, adopted Nov. 12, 2019, which amended ch. 11 of the City Code by adding therein a new art. VIII (§§ 11-190-11-197) to establish a commercial property assessed clean energy program in accordance with Va. Code § 15.2-958.3, for the purpose of facilitating the development of clean energy projects, to revise the effective date of the program.

Patrons: Ms. Larson and Mayor Stoney

Vice Chair Kristen Larson provided an overview of ORD. 2020-129.

There were no further comments or discussions and **Member Ellen Robertson moved to forward ORD. 2020-129 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2020-130

To amend Ord. No. 2019-338, adopted January 27, 2020, which repealed ch. 26, art. V, div. 3 (§§ 26-397-26-408) of the City Code and amended ch. 26, art. V, by adding there a new div. 3 (§§ 26-408.1-26-408.11) for the purpose of modifying the requirements for the partial exemption of rehabilitated structures from real estate taxation, to provide for the submission of program guidelines and to modify the effective date of such ordinance.

Patron: Ms. Robertson

Member Ellen Robertson provided an overview of ORD. 2020-130.

Public Hearing

Preston Lloyd, Williams Mullen partner, expressed his support of ORD. 2020-130. Mr. Lloyd offered his assistance with any efforts on how the real estate development community may help with efforts towards affordable housing.

Chair Michael Jones inquired how many developers or business entities were unable to submit the appropriate documents as a result of COVID-19. Chair Jones questioned the necessity of extending the deadline, noting that any extension would impact the tax revenue generated from these properties for upwards of ten years.

Member Robertson stated that the extension noted within the ordinance was not due to a shortage of applications or a lack of timely submittals. Member Robertson noted that the administrative implementation of the tax abatement program being moved from the Office of the City Assessor to the Department of Housing and Community Development, played a large factor in the request. Additionally, Member Robertson expressed her support and understanding that the agency transition requires more time to allow for an effective rollout.

Chair Jones inquired if applicants can still enter the tax abatement program that was in place before the adoption of ORD. 2019-338, on January 27, 2020.

Member Robertson confirmed that while July 1, 2020 was the initial deadline for applicants to enter into the current tax abatement program, ORD. 2020-130 would extend that deadline to January 1, 2021.

Chair Jones highlighted that studies have shown the current tax abatement program as not in the best interest of the city's tax revenue. Chair Jones offered that instead of continuing admission into the current program, a more favorable option would be to end the current program on July 1, 2020, and roll out

the new program when ready.

City Assessor Richie McKeithen stated that normally applications were delivered in person and applicants were given details about the tax abatement program process. Mr. McKeithen expressed that the COVID-19 pandemic put an abrupt end to normal processes for the City Assessor's office in addition to impacting the transition to the Department of Housing and Community Development.

There were no further comments or discussions and **Member Robertson moved to forward ORD. 2020-130 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2020-138

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a City of Richmond Grant Contract between the City of Richmond and Capital Trees for the purpose of making native plant and tree landscape improvements to The Low Line park in the city of Richmond.

Patron: Mayor Stoney

Grace LeRose, Department of Public Utilities program and operations supervisor, provided an overview of ORD. 2020-138

There were no further comments or discussions and **Vice Chair Kristen Larson moved to forward ORD. 2020-138 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2020-139

To approve the Work Plan and Budget for the fiscal year ending Jun. 30, 2021, for the provision of services in the Downtown Richmond Special Service and Assessment Districts.

Patron: President Newbille

Member Ellen Robertson expressed support for ORD. 2020-139 and commended the program's effectiveness at generating revenue within the downtown business district. Member Robertson requested to be added as a co-patron to ORD. 2020-139.

Vice Chair Kristen Larson inquired if the approved budget contained funds for the non-departmental grants noted for ORD. 2020-139.

Lucy Meade, Venture Richmond Economic Development and Community Relations director, provided an overview of the budget breakdown of ORD. 2020-139.

Jay Brown, Department of Budget and Strategic Planning director, confirmed that the approved budget contained funds within the non-departmental budget for the items in ORD. 2020-139.

There were no further comments or discussions and **Member Robertson moved to forward ORD. 2020-139 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following resolution was considered:

RES. 2020-R039

To request that the Mayor introduce such budget amendments to the Fiscal Year 2020-2021 General Fund

Budget as may be necessary to restore funding for the Affordable Housing Trust Fund and the Eviction Diversion Program to the amounts proposed in the Fiscal Year 2020-2021 General Fund Budget introduced on March 6, 2020, in the event that City revenues exceed current projections for Fiscal Year 2020-2021.

Patron: Ms. Robertson

Member Ellen Robertson provided an overview of RES. 2020-R039.

Vice Chair Kristen Larson stated in accordance with previously adopted ORD. 2020-133, any excess revenue accrued during fiscal year 2021 would be placed into a COVID-19 relief fund. Vice Chair Larson also stated that this fund would offer varying support to the community. Vice Chair Larson further stated that the resolution does not mention ORD. 2020-133 or the COVID-19 relief fund efforts already set in place by City Council.

Member Robertson offered that RES. 2020-R039 is asking for budget amendments understanding the priorities set within ORD. 2020-133. Member Robertson expressed that the reason the proposed resolution places importance on the Affordable Housing Trust Fund and the Eviction Diversion Program is due to the potential for an extreme rise in evictions across the city.

Vice Chair Larson inquired if RES. 2020-R039 requests the Affordable Housing Trust Fund and Eviction Diversion Program be designated as first priority. Vice Chair Larson expressed her support for affordable housing but stated Council should have the ability to assess at the time of excess revenue where the greatest needs will be in the city.

Member Robertson expressed the intention was not to divert funds away from the relief fund.

Chair Michael Jones expressed his support for affordable housing and acknowledged that there is a clear need across the city. Chair Jones stated that matters remain too uncertain for him to feel comfortable moving forward beyond what is outlined in ORD. 2020-133. Chair Jones requested that there be more conversations between Council and city administration to keep all parties informed.

Meghan Brown, deputy council chief of staff, expressed that pursuant to RES. 2020-R035, monthly process meetings with city administration were occurring. Ms. Brown stated that she will continue to work with Jay Brown, Department of Budget and Strategic Planning director, to see if it is possible to have a standing agenda item for monthly updates.

Member Robertson requested information on the proposed priority list for the COVID-19 relief fund.

Ms. Brown stated that the list was a consensus discussed during a budget work session and that she would provide members with a copy. Ms. Brown expanded that the list was not brought forth as a resolution because the body did not want to bind themselves to a process before examining the needs of the city at the time of budget surplus.

Member Robertson stated that she would be glad to clarify any questions regarding RES. 2020-R039's fiscal impact to ensure the fund sourcing is understood.

There were no further comments or discussions and **Member Robertson moved to continue RES. 2020-R039 to the July 16, 2020 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

Staff Report

Bill Echelberger and Samson Anderson, council budget analysts, provided the committee with the May staff report.

Member Ellen Robertson stated that the May 21, 2020 committee meeting minutes noted several requests for follow-up information regarding the tax relief for the elderly and disabled program. Member

Robertson detailed that there was follow up requested on the demographic breakdown of participants in the program and finding a more centralized location for services in the north side of the city. Member Robertson also noted a request for outreach to Housing Opportunities Made Equal of Virginia, Inc. (Home of VA), for detailed information on the impact of COVID-19 on eviction and foreclosure rates.

Samson Anderson, council budget analyst, stated that response was received for some of the requests and that this information would be provided to the committee members. Mr. Anderson elaborated that the tax relief for the elderly and disabled program application currently does not have a demographic section that would provide a breakdown of the average age of accepted participants.

Member Robertson requested a geographic breakdown of participants in the tax relief for the elderly and disabled program.

John Wack, Department of Finance director, stated that currently, there is no database in place that tracks the ages or addresses of participants in the program.

Member Robertson expressed the necessity of assessing the ages and locations of program participants to ensure equitable distribution of the program benefits.

Chair Michael Jones requested Council staff work with city administration on a method by which the demographic and geographic information of participants in the tax relief for the elderly and disabled program can be cataloged.

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 2:21 p.m.