

INTRODUCED: June 12, 2017

A RESOLUTION No. 2017-R038

To express the City Council's support for House Bill 922 and Senate Bill 1156, currently pending in the United States Congress, in the belief that such legislation could be used to increase private investment in the rehabilitation of public school buildings for the benefit of schoolchildren in the city.

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Patrons – Mr. Agelasto, Ms. Robertson, Vice President Newbille,  
Mr. Addison, Mr. Jones, and President Hilbert

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Approved as to form and legality  
by the City Attorney

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PUBLIC HEARING: JULY 24 2017 AT 6 P.M.

WHEREAS, on February 7, 2017, United States Representative Dwight Evans, for himself and United States Representative A. Donald McEachin, introduced House Bill 922, H. R. 922, 115<sup>th</sup> Cong., 1<sup>st</sup> Sess. (2017-2018), which, if enacted, would be known as the Rehabilitation of Historic Schools Act of 2017, and on May 17, 2017, United States Senator Timothy M. Kaine, for himself and United States Senator Mark R. Warner, introduced Senate Bill 1156, S. 1156, 115<sup>th</sup> Cong., 1<sup>st</sup> Sess. (2017-2018), which, if enacted, would be known as the School Infrastructure Modernization Act of 2017, to amend the Internal Revenue Code of 1986 to allow rehabilitation expenditures for public school buildings to qualify for rehabilitation credit; and

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

ADOPTED:    JULY 24 2017    REJECTED:            \_\_\_\_\_    STRICKEN:            \_\_\_\_\_

WHEREAS, House Bill 922 and Senate Bill 1156, if enacted, would allow rehabilitation expenditures for any school facility which is a part of a public elementary or secondary school and is owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a state or local educational agency to qualify for the rehabilitation tax credit, thereby increasing access to private capital for the rehabilitation of buildings, including historic structures, used as schools; and

WHEREAS, the Council of the City of Richmond believes that it is in the best interest of the citizens of the City of Richmond that the Council express the City's support for the enactment of House Bill 922 and Senate Bill 1156;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Council hereby expresses its support for House Bill 922, pending in the United States House of Representatives, and Senate Bill 1156, pending in the United States Senate, in the belief that such legislation could be used to increase private investment in the rehabilitation of public school buildings for the benefit of schoolchildren in the city.

BE IT FURTHER RESOLVED:

That the City Clerk hereby is directed to forward a copy of this resolution as soon as practicable to each United States Representative and United States Senator who represents all or any part of the city.



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Council Chief of Staff

Lou Brown Ali  
Council Chief of Staff

### Council Ordinance/Resolution Request

**TO** Allen L. Jackson, Richmond City Attorney

**THROUGH** Lou Brown-Ali, Council Chief of Staff *LB*

**FROM** Joyce L. Davis, Council Policy Analyst *JLD*

**COPY** Parker Agelasto, 5th District Council member  
Haskell Brown, Deputy City Attorney  
Meghan Brown, Deputy Council Chief of Staff  
Amy Robbins, 5th District Liaison

**DATE** May 26, 2017

**PAGE/s** 1 of 2

**TITLE:** Resolution is to support the School Infrastructure Modernization Act

**RECEIVED**

MAY 26 2017

OFFICE OF CITY ATTORNEY

This is a request for the drafting of a/an **Ordinance**  **Resolution**

**REQUESTING COUNCILMEMBER/PATRON**

Council Member Parker Agelasto

**SUGGESTED STANDING COMMITTEE**

Education and Human Services

**ORDINANCE/RESOLUTION SUMMARY**

Resolution is to support the School Infrastructure Modernization Act, U.S. Senate Bill 116 (S. 116) and the House of Representative Bill 922 and (H.R. 922).

**BACKGROUND**

This O&R is to request a resolution to support legislation by U.S. Senator Tim Kaine and U.S. Senator Mark Warner, U.S. Senate 116 known as the School Infrastructure Modernization Act, to amend the Internal Revenue Code of 1986 to allow rehabilitation expenditures for public school buildings to qualify for rehabilitation credit. This resolution is also to support the companion bill, H.R. 922 sponsored by Representative Donald McEachin and Representative Dwight Evans.

On May 17, 2017, Senator Tim Kaine and Senator Mark Warner introduced Senate Bill S.116 to the 115<sup>th</sup> United States Congress, known as the School Infrastructure Modernization Act, which will amend the federal historic rehabilitation tax credit to

apply to school buildings that continue to operate as schools. Under current law, the credit applies only for buildings renovated to serve a different function than before. This legislation would waive this "prior use" clause for school renovation projects. This legislation would allow school districts with aging infrastructure and tight budgets to partner with private entities to finance renovations that the districts otherwise would not be able to afford. The bill is intended to spur public and private investment in renovating active historic school buildings.

Historic designation requires the structure to be 50 years or older. If this bill were to pass, there are 30 local schools in the City of Richmond that could be eligible for the tax credit. The findings of a Virginia Department of Education Study conducted in 2013 of all schools in the Commonwealth of Virginia showed 45 schools with the age of 30 years and older, with 33 of the 45 schools eligible for historic register designation. Since that study was conducted, 3 of the schools have been newly constructed and renovated reducing the number to 30 schools in the City of Richmond that are over 50 years old with historic register designation.

In Virginia, the Historic Rehabilitation Tax Credit has helped to restore more than 1,200 structures since 1997, and the VDOE 2013 analysis says about 40 percent of the K-12 schools in the Commonwealth, which is about 800, are at least 50 years old.

#### FISCAL IMPACT STATEMENT

Fiscal Impact	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Budget Amendment Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Estimated Cost or Revenue Impact	\$	

Attachment/s Yes  No

Richmond City Council Ordinance/Resolution Request Form