



City of Richmond

900 East Broad Street
Richmond, VA 23219
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Meeting Minutes Land Use, Housing and Transportation Standing Committee

Friday, May 19, 2023

1:30 PM

Conference Room, 5th Floor - City Hall

Committee Members

The Honorable Andreas Addison – Chair
The Honorable Ellen Robertson – Vice Chair
The Honorable Ann-Frances Lambert – Committee Member

Others in Attendance

Andrew Gore, Assistant City Attorney
LaTasha Holmes, Council Chief of Staff
Candice Reid, City Clerk
Rebecca Sullivan, Assistant City Clerk
Steve Taylor, Council Policy Analyst
RJ Warren, Deputy City Clerk

Call to Order

Chair Andreas Addison called the meeting to order at 1:45 p.m., and presided.

Affordable and Workforce Housing Strategy, Incentives, and Programs

Chair Andreas Addison stated his goals for the special meeting. Specifically, Chair Addison outlined an agenda to discuss legislative and administrative options available to develop incentives for housing developers to construct affording housing units at targeted growth areas in the city.

Sharon Ebert, Deputy Chief Administrative Officer (DCAO) for Planning and Economic Development, elaborated on current incentives available to developers willing to construct affordable housing in the city. DCAO Ebert stated that most current incentives do not contribute to the development of mixed income housing. DCAO Ebert also stated that requiring mandatory affordable housing units per development or area would require permission from the General Assembly of the Commonwealth of Virginia.

Chair Addison asked if there were ways in which to request the Commonwealth of Virginia to develop legislation to require affordable housing development in the city during the housing crisis, similar to other localities in the state.

Preston Lloyd, Williams Mullen Partner and Land Use Attorney, stated that incentives used in other localities may not work in the Richmond real estate market. Mr. Lloyd emphasized the need for government incentives to include financial compensation for the loss in profit that a developer would have when building affordable housing units as opposed to market rate housing units.

Chair Addison questioned if it were possible to use tax incentives to cover the construction costs, and the availability of other incentives. Chair Addison also asked for the status of performance grant agreements currently in operation.

DCAO Ebert shared information on the performance grant agreement application process and the status of currently approved projects. DCAO Ebert stated her belief that the performance grant agreements were not serving as a strong incentive for developing affordable housing units on a large scale.

Vice Chair Ellen Robertson shared her hopes to invite non-profit and private sector developers to a discussion in order to further address the housing crisis. Vice Chair Robertson questioned if it were possible to design developments that could use non-profit and private incentives to maximize financial resources for housing projects.

Chair Addison stated his support for collaboration with both non-profit and private developers to address the housing crisis in the city.

Mr. Lloyd stated the current affordable housing incentives put in place by the city drove development of affordable housing units constructed by non-profit developers, however, it did not incentivize private developers to build market rate housing units that could be used as affordable housing units.

Sherrill Hampton, Housing and Community Development Director, provided information on the current projects using private developers in the city. Director Hampton stated her belief that it would take a variety of tools and incentives to address the housing crisis due to the variety of necessary costs beyond initial construction.

Member Ann-Frances Lambert asked for clarification on the specific costs necessary to fund the mentioned projects.

Director Hampton explained the operational service costs that would need to be covered in the long term maintenance of the properties and stated that research was currently being conducted in order to determine viable ways to support these affordable housing developments.

Elizabeth Greenfield, Homebuilding Association of Richmond Vice President of Government Affairs, City Planning Commission Vice Chair, stated the importance of having model developments in order to help pinpoint specific costs to help developers determine realistic investments.

Chair Addison questioned if there were ways to incentivize non-profit and private developers to work together on affordable housing projects.

Mr. Lloyd stated it was important to develop housing goals and projects that are specific and predictable. Mr. Lloyd explained that private developers are less likely to invest in unpredictable projects because of the high financial risk.

Chair Addison noted that it was important to focus development in certain areas of the city, and asked if there were any legislative tools currently available to promote development in certain areas. Chair Addison also pointed to the importance of educating the public and business partners regarding affordable housing and the importance of providing housing for city residents.

Vice Chair Robertson stated her belief that it was important to educate the public about affordable housing and how it would impact the community. Vice Chair Robertson questioned ways to provide more services in different areas around the city, and how to provide the funding for the services. Vice Chair Robertson noted the importance of addressing racial and social issues that contribute to the housing crisis alongside the economic challenges of providing funding for such projects.

Chair Addison stated his belief that it was important to begin informing residents about why affordable housing is important for the overall health of the city and its residents. Chair Addison also requested to develop specific project plans in order to determine cost amounts to assist with negotiating with housing developers.

Member Lambert shared her support for further discussion on the specific funding costs of affordable housing development.

Vice Chair Robertson stated her support for determining specific funding costs that could be used to invest in affordable housing development, but warned of the limits currently facing city financing.

Lincoln Saunders, Chief Administrative Officer, stated city administration had attempted to invest money into housing development.

Chair Addison outlined the next steps he hoped to take in order to promote discussion and investment in affordable housing, including the possibility of future meetings among developers and committee members.

Vice Chair Robertson suggested using methods employed in the Diamond District Development Project as a model to promote more affordable housing.

DCAO Ebert elaborated on the details of the Diamond District Development Project real estate agreement, emphasizing that the majority of the affordable housing units were constructed by low income specialized developers using low income tax credits.

Vice Chair Robertson shared her belief in the importance of finding driving factors that would help convince developers to building affordable housing units, including the use of low income housing tax credits in the city.

Chair Addison suggested the use of tax incentives as a way to finance the costs of affordable housing development.

Vice Chair Robertson agreed that the tax incentives would help, but suggested that low income tax credits contribute to large housing developments.

Chair Addison suggested the need to continue the discussion at the next Land Use, Housing and Transportation Standing Committee meeting. Specifically, Chair Addison stated he hoped to develop another special meeting between developers and committee members in order to discuss specific details of possible future housing projects.

Vice Chair Robertson agreed and stated her support for furthering the discussion at the next meeting.

Member Lambert agreed and stated her support for furthering the discussion at the next meeting.

A copy of the material provided has been filed.

[CD.2023.198](#) After Item Land Use - 20230519 Affordable Housing Strategy & Plan

Adjournment

There being no further business, the meeting adjourned at 2:51 p.m.