



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

ORD 2023-114: Presentation, Discussions and Papers for Consideration

City of Richmond Finance and Economic Development Standing Committee

May 18, 2023

Legislative Summary

Previous Meeting: April 20, 2023

Next Meeting: June 15, 2023

Presentation, Discussions and Papers for Consideration

1. **Fund Balance Policy: Path Forward for Revising the Policy (Richmond City Code, Chapter 12, Article V – Fund Balance)**

Papers for Consideration

ORD 2023-114

Patrons: Vice-President Nye, Ms. Trammell, Ms. Jordan, Ms. Lambert, Ms. Lynch, and President Jones

To amend City Code §§ 26-364, concerning tax relief for elderly persons, and 26-365, concerning tax relief for qualified permanently and totally disabled persons, for the purpose of increasing certain income and total financial worth thresholds for tax relief for qualified elderly, permanently, and totally disabled persons.

Key Points:

1. A real estate tax exception is provided for property owners not less than 65.
2. Persons qualifying are deemed to bear extraordinary real estate taxes in relation to their income and financial worth.
3. Owners can apply for tax freeze. The freeze is administered by the Director of Finance. An application must be filed with the Director of Finance. On that application, name, age, income, and net worth and location of property must be provided.
4. Owners can apply for exemption or freeze but not both.
5. Owners must be 65 by December 31 of preceding tax year. If married, only one member must be 65.
6. The gross combined income of the owner cannot exceed \$70,000. The total combined financial worth of the owner cannot exceed \$450,000.



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Range of Income	Percentage of Exemption
\$0.0 to \$30,000	100 %
\$30,001 to \$40,000	75%
\$40,001 to \$50,000	50%
\$50,001 to \$70,000	25%

7. If permanently or totally disabled, and qualify as described by the Code of Virginia, an owner may apply for an exemption or freeze, again, administered by the Director of Finance. The same application and information are to be given.

Fiscal Impact: None Yes.

ORD 2023-143

Patron: Mayor Stoney

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a General Services Administration Public Buildings Service Lease Amendment between the City of Richmond and the Government of the United States of America for the purpose of renewing the lease from October 1, 2023, through September 30, 2028, for 20 parking spaces leased to the federal government at a City-owned parking facility located at 500 East Marshall Street.

Key Points:

1. The O&R request says the ordinance will have no fiscal impact on the City, because the revenue is included in the parking fund's budget.

Fiscal Impact: None Yes.

ORD. 2023-151

Patron: Mayor Stoney

To repeal City Code §§ 26-724, concerning definitions for transient lodging taxes, 26-725, concerning levy of transient lodging taxes, 26-726, concerning collection of transient lodging taxes, 26-727, concerning violations, 26-728, concerning reports required, 26-729, concerning enforcement, and 26-730, concerning the effective date of Ch. 2, Art. X of the City Code, amend Ch 26, Art X of the City Code by adding therein new §§26.724.1 – 26.732, concerning transient occupancy taxes; and to amend City Code § 26-430, concerning penalties for non-payment of property taxes, all for the purpose of aligning the City Code with state law pertaining to transient occupancy taxes.



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Key Points:

1. The O&R request says the purpose to extend transient occupancy taxes to short-term accommodation rentals administered by an accommodation provider or accommodation intermediary, like Airbnb, VRBO, etc.
2. This policy would make hotels and short-term accommodations equal.
3. Richmond is estimated to collect between \$3.2 and \$3.3 million.

Fiscal Impact: None Yes, the O&R says that additional FTEs will be needed to administer, audit, and enforce this tax type. Additionally, these amounts will be remitted to the Greater Richmond Convention Center. Between FY 2018-FY 2022, these rebates equaled \$1 million.

Ord. 2023-152

Patron: Mayor Stoney

To repeal City Code §§ 11-190 – 197, concerning a commercial property assessed clean energy financing program, and to amend Ch. 11, Art. VII of the City Code by adding therein new §§ 11 -190.1 – 11-197.1, concerning a commercial property assessed clean energy financing program, for the purpose of aligning the City Code with state law pertaining to commercial property assessed clean energy financing programs.

Key Points:

1. Repeals existing commercial property assessed clean energy financing provisions. Reinstates the provisions with respect to a state provision for a C-PACE financing program.
2. The C-PACE program applies to all commercial real estate within the City but excludes residential dwelling with fewer than 5 units or condominiums.
3. The City of Richmond would use the State Program rather than create its own. The program manager is either the CAO or person designated by the CAO. (Sustainability director)
4. City has no obligation or guarantees of any C-PACE loans
5. Minimum project costs are \$50,000. No maximum is provided.
6. Participating property owners and Capital Providers enter C-PACE agreements at their own risk.
7. Eligible projects include energy efficiency improvements, renewable energy improvements, resiliency improvements, stormwater management improvements, and electrical vehicle infrastructure improvements.
8. C-PACE loans can include construction, development, consulting costs, labor, materials, machinery, equipment, plans, specifications, due diligence studies, program fees, loan fees, capitalized interest, interest reserve, C-PACE underwriting and closing costs.
9. C-PACE loans have a senior priority over mortgage or a deed of trust lien.



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10. Any ordinance adopted by the Richmond City Council can also reject substantial revision offered by Program Manager and Virginia Energy. Those substantial revisions must be offered with 60 days.

Fiscal Impact: None Yes, including a potential impact on the Office of Sustainability (CAO designee), the Director of Finance if businesses do not repay their loans, and the land record functions of the Clerk of Circuit Court.