

ONE RICHMOND

An **Equitable** Affordable Housing Plan



Mayor Levar M. Stoney

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

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Executive Summary

Historically, economic growth within the city of Richmond has often benefited some while inflicting long-term harm upon the city's most vulnerable residents. This is especially true in the case of housing, which is the foundation for life and a strong indicator of a community's overall health and wellbeing. Jim Crow-era policies such as redlining, restrictive racial covenants, gentrification and other discriminatory housing practices stemming from structural and institutional racism have, over decades, perpetrated deep-seated economic and social injustices upon individuals, families and communities with lasting impacts. Remnants of these inequities continue to devastate communities. Today, the City is embarking upon a strategy to address housing inequalities and create more equitable and affordable housing options and opportunities for every Richmonder.

Lack of access to affordable, safe and quality housing is at the root of the City's major housing challenges. Although the city's poverty rate dropped to 21.9% in 2019, approximately 45 percent of Richmond households remain cost-burdened, spending more than 30% of their income on housing. And despite a strong economy, countless families, many of whom are disproportionately Black and low-income, are being evicted from their homes as well as displaced due to gentrification. In order to address these challenges, more equitable policies and practices are warranted and an additional 10,000 affordable housing units must be constructed over the next 10 years to meet current and future needs of our city's most vulnerable community members, including seniors, veterans, returning citizens, homeless individuals and youth aging out of foster care. The City's Equitable Affordable Housing Plan described in this document outlines a strategy to meet these pressing needs because housing touches every aspect of a person's life and everyone deserves a safe, affordable and dignified place to call home.

In 2020, the COVID-19 Pandemic and civil unrest escalated the need for safe and affordable housing for every Richmonder. Without a home, Richmonders could not shelter in place from the spread of the Pandemic and too many Richmonders faced eviction from their homes due to the loss of employment from the Pandemic. In the spring and summer, civil unrest shown a bright spotlight on the racial inequities that Black and Brown Richmonders have endured for decades due to White laws that took away Black wealth and intentionally concentrated Black households into public rental housing and Brown households into mobile home parks.

In crafting a solution to the city's housing challenges, the Department of Housing and Community Development considered the following:

- The minimum wage rate in the Commonwealth of Virginia is \$11/hour, \$440/week or \$22,880/annually.
- The poverty rate in the city is 23%, or stated another way, 53,556 Richmonders live in poverty (based on the worldpopulationreview.com).
- The Richmond Redevelopment & Housing Authority (RRHA) owns approximately 3,900 rental units, the majority of which need rehabilitation, and houses over 9,000 Richmonders living below the poverty level.
- The average rent for a two-bedroom apartment in the City is \$1,389, a 5% increase over last year.
- The median home price in Richmond is \$230,500, a 5% increase over last year.
- The Richmond Metropolitan Statistical Area (MSA) at 50% of Area Median Income (AMI) for a household of 4 = \$45,000.
- The Richmond MSA at 30% of AMI for a household of 4 = \$27,000.
- 30% of a household's income at 50% of AMI = \$1,125/month/2 BR Apt.
- 30% of a household's income at 30% of AMI = \$670/month/2 BR Apt.



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Exterior views of the Armstrong Renaissance mixed-income development, an East End Transformation project.
Source: Apartments.com

Executive Summary

The City's Affordable Housing Needs

THE PLAN provides guiding principles, necessary policy changes, and new programs to address Richmond's very low-, low- and moderate-income residents' needs across the full spectrum of housing.

Guiding principles

1. Safe, healthy and affordable housing is a human right.
2. Inclusive resident engagement is essential to building healthy neighborhoods and residents must be a meaningful part of the decision-making process.
3. Homelessness should be rare, brief and one-time.
4. Residents with disabilities and special needs must have housing with supportive services.
5. Affordable housing units should be integrated into every residential development so every household has housing choices throughout the city.
6. Low-income residents working to achieve financial sustainability should receive rental subsidies to help them find housing of choice.
7. Low-income households living in our gentrifying neighborhoods desire the right to stay and be part of the increase in property wealth, and must not be displaced.
8. City employees should be able to afford a home and live in the city where they work.
9. Public housing residents should have an opportunity to purchase and own their rental unit in order to build wealth.
10. Construction technologies and innovative housing designs must be implemented to reduce the costs of affordable housing and support the city's climate action and resilience goals.

Policy Changes

1. Lobby for and adopt an increase in the State's and City's minimum wage from \$11/hour to \$16/hour to reduce poverty.
2. Lobby for and adopt an inclusionary zoning ordinance for the Commonwealth of Virginia and the City of Richmond.
3. Refocus the City's funding priorities to provide new affordable housing that aligns with the city's climate action and resilience goals.
4. Refocus the City's AHTF's goals to spend a majority of its funding on the creation of new affordable rental units for households earning less than 50% of the AMI.
5. Adopt a dedicated funding source for the Affordable Housing Trust Fund (AHTF). **Completed**
6. Promote the recently adopted ordinance for property tax abatements for existing structures, and adopt an ordinance for property tax rebates for new construction that calls for the inclusion of affordable units meeting green building standards within market rate multi-family developments.
7. Co-partner with the Richmond Redevelopment and Housing Authority (RRHA) to allow for a unified approach in transforming public housing into mixed-income communities of choice that prioritize energy efficient and resilient buildings and homeownership opportunities with a commitment to no loss in the number of "public housing units" as reported in RRHA's 2019-2020 Annual Agency Plan.

8. Amend the Zoning Ordinance (ZO) to allow for accessory dwelling units in all residential zoning districts with modified lot areas and yard requirements.
9. Amend the ZO to allow two- and three-family dwelling units in all residential zoning districts with modified lot areas and yard requirements.
10. Amend the ZO to allow by-right shelters and group homes in B-3 and M-1 zoning districts. **Completed**
11. Amend the ZO to allow permanent supportive housing as-of-right in multi-family zoning districts. **Completed**
12. Amend the ZO to replace the City's Cold Weather Overflow Shelter with a network of shelters that are accessible year-round and can function as Resilience Hubs. Resilience Hubs are community-serving facilities augmented to support residents and coordinate resource distribution and services before, during, or after a natural hazard event.
13. Amend the ZO to allow religious institutions to provide shelter to persons experiencing homelessness year-round, without time limits. **Completed**
14. Reevaluate parking requirements within the ZO to mitigate parking as a barrier to affordable housing development.

New Programs

1. Create an **Anti-Displacement Grant Program** for low-income homeowners to help rehabilitate their homes, reduce their energy burden and to help pay escalating property taxes in gentrifying areas by partnering with philanthropic organizations for funding.
2. Give priority to affordable housing projects developed for underserved populations such as the **frail elderly, youth aging out of foster care, reintegrating youth and adults in the community, and persons needing mental health services.**
3. Create a **Forgivable Loan Rehab Program** using HUD HOME funds to partner with multi-family property owners to improve energy efficiency and bring up to code non-compliant properties by agreeing to maintain units as affordable to existing tenants.
4. Create a **Mobile Home Replacement Program** to allow individuals to stay housed and in their community. Work with homeowners and Virginia Housing to finance the new mobile homes.
5. Establish the City's first "**Lodging Lab**" by partnering with non-profit organizations to develop low-cost infill housing and co-housing communities on vacant City-owned and RRHA-owned land using modular/prefab housing units designed and built by a social enterprise owned and operated by low-income residents to include those living in public housing.
6. Create a "**Land for Lodging**" **initiative for nonprofits** to acquire City-owned land and property to develop affordable housing that meets green building and energy efficiency requirements.
7. Create a **Resident Rental Assistance Program** to help low-income households, earning less than 50% of AMI, to afford to live in mixed-income residential developments if they are participating in a City-sponsored educational and/or job training program.
8. Explore options to encourage multi-family property owners to include distributed renewable energy with affordable housing projects.
9. Adopt an equitable development tool and use it for all new affordable housing projects.

The City's **Equitable Affordable Housing Plan's** goal is to address the full spectrum of affordable housing

needs to include:

- **250 new emergency housing units with supportive services for residents who are experiencing homelessness by 2023;**
- **250 new permanent supportive housing units by 2024;**
- **500 new affordable housing units for persons with special needs by 2030;**
- **400 new affordable housing units for residents facing displacement from gentrification that want to stay in their neighborhood by 2025;**
- **2,000 new affordable housing units for residents who earn between 50% of AMI and 80% of AMI that seek homeownership opportunities throughout the City by 2028; and**
- **6,500 new affordable housing units for residents earning less than 50% of AMI with a focus towards those living in substandard public housing units, apartments and mobile home units by 2030.**