



**City Of Richmond, Virginia
Office of the City Clerk**

Request to Withdraw Legislation

Paper Number: Ord. 2021-369

Chief Patron: Mayor Levar Stoney

Introduction Date: December 13, 2021

Chief Patron Signature: 

For Office Use Only

Attestation: 

Effective Date: March 14, 2022

INTRODUCED: December 13, 2021

AN ORDINANCE No. 2021-369

To repeal City Code § 12-46, concerning the disposition of revenues derived from the expiration of partial exemptions from real estate taxation and from certain sales of tax delinquent properties, and to amend City Code § 26-104, concerning the duties of the City Assessor, providing for the accounting of certain real estate tax revenues arising from the phased reduction, expiration, and termination of certain partial exemptions from real estate taxation in such a manner as to facilitate the City Council’s future appropriation of those revenues to the Affordable Housing Trust Fund concerning disposition of revenues derived from the expiration of partial exemptions from real estate taxation, for the purpose of facilitating an alternate method of funding the Affordable Housing Trust Fund annually.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 24 2022 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 12-46 of the Code of the City of Richmond (2020) be and hereby is **repealed** as follows:

~~[Sec. 12-46. Disposition of revenues derived from expiration of partial exemptions from real estate taxation and from certain sales of tax delinquent properties.]~~

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

~~(a) — Beginning July 1, 2021, when payments are made to the City of real estate taxes arising from (i) the phased reduction occurring on or after July 1, 2020, of the amount of any partial exemption in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code and (ii) the full taxation of formerly partially exempt real estate due to the expiration or termination of such partial exemptions in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135 and 98-138 of the 2004 Code, on an annual basis, the Director of Finance shall credit the difference between the full taxation amount and the partial exemption amount as of the date of such reduction, expiration, or termination to a special reserve assigned to support the Affordable Housing Trust Fund established by Section 16-51 each year after such expiration. The City Council may appropriate funds from this reserve to the Affordable Housing Trust Fund established by Section 16-51.~~

~~(b) — Beginning July 1, 2019, and subject to appropriations by the City Council, the Director of Finance shall credit to a special reserve assigned to support the Affordable Housing Trust Fund established by Section 16-51 up to \$1,000,000.00 of all proceeds from the sale of tax delinquent properties through the program administered by the Office of the City Attorney that remain after all costs of administering such program have been paid.]~~

§ 2. That section 26-104 of the Code of the City of Richmond (2020) be and hereby is **amended** and reordained as follows:

Sec. 26-104. Duties.

~~[(a)]~~ The Assessor shall assess annually for taxation at its fair market value all real estate in the City which shall include all lands, buildings, structures and improvements thereon and all rights thereto and interests therein and shall have the power to do all things necessary to assess such property.

~~[(b)]~~ By no later than May 1 of each year, the Assessor shall furnish the City Council with the projected amount of real estate taxes arising from:

~~(1) The increased taxation of partially exempt real estate due to the phased reduction occurring on or after July 1, 2020, of partial exemptions in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code; and~~

~~(2) The full taxation of formerly partially exempt real estate due to the expiration or termination of partial exemptions granted in accordance with Chapter 26, Article V, Divisions 3 (§§ 26-408.1—26-408.11), 9 (§§ 26-579—26-589), and 10 (§§ 26-590—26-599) of this Code and with former Sections 98-132, 98-135, and 98-138 of the 2004 Code.]~~

§ 3. This ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: 11/15/2021 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Acting Chief Administrative Officer

FROM: Jason P. May Director of Budget & Strategic Planning

RE: Affordable Housing Trust Fund

ORD. OR RES. No. _____

PURPOSE: To repeal previous ordinance nos. 2018-238 and 2020-214 which amend City Code §12-36, concerning disposition of revenues derived from the expiration of partial exemptions from real estate taxation and §26-104, which concern the duties of the City Assessor as related to the accounting of certain real estate tax revenues in such a manner as to facilitate the City Council’s future appropriation of those revenues to the Affordable Housing Trust Fund (AHTF).

REASON: An ordinance is required to repeal the previous ordinances and to amend the City Code in order to have discretion to ensure that the Affordable Housing Trust Fund receive funding at a level of \$10,000,000 annually which is being put forth in a companion resolution to this ordinance.

RECOMMENDATION: The City Administration recommends adoption.

BACKGROUND: The Administration is committed to improving neighborhoods and the lives of the people who live in them. Safe, decent and affordable housing for low and moderate income households is fundamental to the City's vision of a vibrant and inclusive community and to the City's overall economic development goals.

In 2004, the City of Richmond established the AHTF as part of a strategy to work with the non-profit and for-profit development community in accessing and producing much needed long term affordable housing for residents of the City. The fund is funded through annual appropriations with the purpose of aiding in meeting the needs of low and moderate income households in the City by providing loans and grants to for-profit and nonprofit housing developers and organiza-

tions for the acquisition, capital and other related costs necessary for the creation of affordable rental and owner-occupied housing in the City.

In 2018, Council adopted Ordinance No. 2018-238, amending 2014-125-143, which amended section 12-36(a), by adding 12-36(b) which states up to \$1,000,000 of all proceeds from the sale of tax delinquent properties through the program administered by the Office of the City Attorney that remain after all costs of administering such program have been paid be allocated to the AHTF.

In 2020, Council adopted Ordinance No. 2020-214, further amending code section 12-36, and establishing the appropriation of the AHTF funds be appropriated to a special reserve , as well as a provision that on an annual basis, by no later than May 1 of each year, the City Assessor shall provide the Council with the projected amount of real estate taxes arising from (i) the increased taxation of partially tax-exempt real estate due to the phased reduction of the amount of any such partial tax exemption in accordance with Chapter 26 of the Code or with former Sections 98-132 or 98-135 of the 2004 Code, as applicable, and (ii) the full taxation of formerly partially tax exempt real estate due to the expiration or termination of any such partial tax exemption in accordance with Chapter 26 of the Code or with former Sections 98-132. 98-135. or 98-138 of the 2004 Code, as applicable be allocated to the AHTF.

The commitment to affordable housing is evident as the annual appropriation for the AHTF has continued to increase from \$975,000 in FY18 to \$2,900,000 in FY21, however, the current funding formula for AHTF as reliant on these two funding sources is limited and constrained by these previous ordinances. The AHTF is intended to provide flexible local funding that complements other funding for housing related activities and provides gap financing to move challenging projects forward. As such, the repeal of the previous ordinances, and in conjunction with the resolution providing the Mayor's commitment to fund the AHTF at \$10,000,000 annually will aid in making the significant and lasting changes, as well as providing the flexibility needed.

FISCAL IMPACT / COST:

- **If Adopted:** The Administration is committed to funding the AHTF at \$10,000,000 annually per the companion resolution.
- **If Not Adopted:** The current funding formula set by Ordinance Nos. 2018-238 and 2020-214 will remain in place with the funding for the AHTF to be limited by real estate taxes, as well as the Special Reserve.

FISCAL IMPLICATIONS: None

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: None

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: December 13, 2021

CITY COUNCIL PUBLIC HEARING DATE: January 10, 2021

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: N/A

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Finance, Budget and Strategic Planning, Housing & Community Development, and Non-Departmental.

RELATIONSHIP TO EXISTING ORD. OR RES.: 2020-214, 2018-238, 2013-R276-2014-32, 2020-R053

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: No

STAFF: Jason May