

# **STATE LEGISLATIVE PRIORITIES**

**2023 VIRGINIA GENERAL ASSEMBLY**



**CITY OF RICHMOND, VIRGINIA**

**Draft 11/10/22**



## STATE ELECTED OFFICIALS

### **Senator Jennifer L. McClellan (D) 9<sup>th</sup> District**

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Legislative Aide: Maryn Wood

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#### Committee Assignments

Agriculture, Conservation & Natural Resources

Finance and Appropriations

Judiciary

Privileges and Elections

Transportation

### **Senator Ghazala Hashmi (D) 10<sup>th</sup> District**

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#### Committee Assignments

Agriculture, Conservation & Natural Resources

Education & Health

General Laws & Technology

Local Government

### **Senator Joseph Morrissey (D) 16<sup>th</sup> District**

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#### Committee Assignments

Agriculture, Conservation and Natural Resources

Judiciary

Local Government

Rehabilitation and Social Services

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### **Delegate Dawn M. Adams (D) - House District 68**

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#### Committee Assignments

General Laws

Health, Welfare and Institutions

Privileges and Elections

### **Delegate Betsy B Carr (D) – House District 69**

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#### Committee Assignments

Appropriations

General Laws

Transportation

### **Delegate Delores L. McQuinn (D) House District 70**

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#### Committee Assignments

Appropriations

Education

Transportation

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#### Committee Assignments

Courts of Justice

Education

Public Safety



**City of Richmond Legislative Proposals  
for the  
Virginia General Assembly 2023 Regular Session**

**Legislative Priorities**

**Preserve and defend Richmond's authority to hold a casino referendum in 2023** – *The City opposes any efforts to remove the ability for the City to hold a referendum for the One Casino and Resort in November 2023.* The casino will bring a much needed economic development project to the city's southside and will be a workforce driver. The October 2022 JLARC report noted that a Richmond casino will bring in more state tax revenue, as well as much needed local revenue. The JLARC report demonstrates that a casino in both Richmond and Petersburg is a very positive development. Not only for state revenues, but for critical addition to local revenues in both cities. There is a path forward leading to a win-win for both Richmond and Petersburg - - larger state gaming revenues and increased consumer choice. Richmond has a robust casino ready to move forward and would like nothing more than to hold another referendum in November of 2023.

**Combined Sewer Overflow (CSO)** – *The City opposes any attempt to accelerate the current statutory Richmond CSO project completion timeline ahead of 2035.* The General Assembly has mandated, and the City of Richmond is resolute, that the City will substantially eliminate combined sewer overflows into the James River by 2035, a goal currently estimated to cost upward of \$1.3 billion. With the \$50 million ARPA funds allotted to the City of Richmond during the 2021 General Assembly Special Session II, along with the \$50 million in local match, and \$100 million appropriated, yet unobligated by the 2022 General Assembly, the City's DPU is working diligently toward meeting this goal. The City DPU is leaving no stone unturned to identify additional federal, state and local financial resources that can be accessed to complete the job of protecting the James River and Chesapeake Bay. The City's ratepayers cannot do this alone and consistent funding in successive state budgets will be required for the city to complete this project by 2035 as mandated. The City has identified 10 Interim Plan projects to address the remaining 9% capture of combined sewer overflows and is in the process of developing its final plan which will be submitted, as mandated by the General Assembly, to the Virginia DEQ by July 1, 2024.

**HOUSING** – The City is asking for more **tools** to be responsive to the rapidly rising Richmond **housing market**, especially tools to abate real estate taxes in a more strategic manner.

- **Constitutional Amendment to Give Local Governments Control Over Property Tax Exemptions and Tools to Combat Gentrification** - Local real estate tax relief programs are currently limited to the elderly, disabled and certain veterans, and thus do not include lower middle-income homeowners. An amendment to the state constitution is required to expand the applicability of such programs and enable—not require—local governments to use a wide range of alternative real estate tax tools for properties used for affordable housing and homelessness services. The City is requesting that the General Assembly *amend the state constitution to allow localities, at their option, to set up abatement/exemption options like the long-term owner occupancy program (LOOP) or a payment in lieu of taxes (PILOT) program for affordable housing.* While common in other states, including Maryland, current Virginia law does not give localities authority to establish these types of programs for affordable housing. The draft language for the amendment to the Constitution of Virginia should explicitly permit localities in Virginia to adopt ordinances that allow alternative real estate property taxation methods for properties used as affordable housing; should be written broadly to permit

means tested tax abatements, exemptions, PILOT and other similar solutions that allow localities flexibility and options; set a minimum floor of 15 years for any period of tax reduction by local programs; considers pro-rata tax relief to provide greater relief as deeper affordability is offered (covering mixed-income housing; and properties with units under inclusionary zoning programs, which may have some units rented above 80 percent AMI.). Allowing local governments to develop and implement means tested, long term owner-occupied real estate tax relief programs will help prevent the displacement of long-term owner occupants due to dramatically rising property tax assessments, thereby leading to neighborhood gentrification

- **Strengthen Va. Code Ann. § 58.1-3295 to Include Additional Affordable Housing Types and Directives** - The current section of state code that directs local assessors to use a specific income-based approach for rent-restricted affordable housing needs revision. *The City is requesting that the code be amended to cover all types of rental housing that use subsidies to serve households below 80 percent AMI.* Both developers and operators of affordable housing properties have highlighted significant challenges with the assessment process for rent-restricted communities. This stems from language interpretations in the current state code. § 58.1-3295 directs localities to assess below-market rate (affordable) rental housing after considering: restrictions on rent values, restrictions on title transfers and “other restraints” on future sale, and “actual operating expenses” and other relevant expenditures. These considerations ensure that the real estate taxes levied on owners of affordable rental housing are commensurate with the actual rent amounts collected rather than fair market values, thereby reducing the tax burden on these properties. The problem has become increasingly acute with the rapid increase in market valuations. New statutory language should be enacted that would replace § 58.1-3295 with a broader definition of affordable housing to include all of the following solutions: All existing types of publicly-assisted multifamily rental housing, including LIHTC, USDA-RD Section 515, HUD Section 202, HUD Section 822, Rental Assistance Demonstration, and others. Eligible uses would include affordable homeownership programs, homelessness services, and community land trusts and other shared-equity ownership models. They should not be restricted to new construction only and they should defer most specific definitions/criteria to localities since they will be creating ordinances under this new authority.
- **Redemption Period on Delinquent Homes** - With the extreme financial pressures on the city’s lower middle-income residents, the City wants to offer assistance by extending the number of years property owners can negotiate payment arrangements on tax delinquent properties, as well as extend the redemption period for fiscally stressed property owners. This will help keep residents in their homes (by lowering their monthly installment payments,) and slow further gentrification to City neighborhoods. Current Virginia law, § 58.1-3965, allows payment arrangements up to sixty months for delinquent property taxes. However, when the tax debt is higher, the payment translates to high monthly payments. When a resident defaults on the installment agreement, the agreement can be voided upon 15 days written notice and, once the payment plan ceases, the resident is not eligible for 3 years. It is within 3 years period that the property becomes eligible to be sold. *The City is requesting that § 58.1-3965 be changed to 1) extend the installment period for a longer period than 60 months so that more reasonable installments payments of the tax debt be accommodated.* This change will serve to help residents whose financial situation may change later or who would have difficulty making significantly higher stay in their homes; and 2) *extend the redemption period to up to one year after the property is sold in order to give the property owner a chance to redeem their property.*
- **Inclusionary Zoning/Affordable Housing** – The City supports expanding local authority to establish and implement tools that will assist with increasing the supply of affordable housing units. The share of low and middle-income renters with cost burdens is increasing in the city, as the median rent has reached a record high. Minimum and average-wage workers cannot afford most available market-rate rental units. Although the rental stock is increasing, most new additions are not considered affordable to Richmond residents. At the same time, there are a plethora of blighted, derelict homes and buildings that sit vacant. Creating incentives around existing programs, like Low Income Housing

Tax Credits (LIHTC) whereby credits are not given up front, but are held to incentivize new construction would be very beneficial.

**HB 599 Funding for Local Police** – Our cities are still experiencing human resource and workforce development issues concerning our local and valued policemen and women. Our cities cannot compete with state agencies, universities, and other local governments that offer increased pay and consistently poach trained and newly trained police persons. Local police department funding and workforce development issues are even more acute at this point in time. We ask the General Assembly to please *fund the Aid to Localities with Police Departments according to the Code of Virginia statute*. This was an obligation delineated in the annexation moratorium of the 1980s. The City values our highly trained and very competent local police force, but we need sustained funding to improve police salaries, reduce police vacancies, and enable us to recruit, train and retain our valued police persons.

**Use of Radar Enabled Cameras** – *The City requests that the authority to use radar-enabled speeding and red-light cameras be expanded to include business and residential districts, parks, and bridges.* Legislation was enacted in the 2020 General Assembly session permitting their use in posted school crossing zones and work zones. This authority should be expanded to include residential, parks, bridges, and selected business districts.

**EcoTourism/James River Park System** – The James River Park System is the finest urban wilderness in the United States and has transformed the City of Richmond. With more than 600 acres extending from Ancarrow’s Landing to the Huguenot Flatwater, it is Richmond’s largest public park and a true gem for the state and city. The primary attraction of the park are the more than 22 miles of interconnected trails, open to bikes and foot traffic. The trail network (which includes the Richmond Slave Trail) navigates along both banks of the James River, affording views and access to the river with ample non-motorized watercraft activity. The Park was recently named one of the top six river parks in the United States by outdoor retailer REI. *\$15 million in state assistance during each year of the current biennium is requested* for four eco-labs and two immersive historical sites located at Ancarrow’s Landing and along the Richmond Slave Trail. The funding will seed these projects and contribute toward the ongoing maintenance providing a significant return on investment for the Richmond community and the Commonwealth.

### **Policy Statements**

**The Machinery and Tools (M&T) and Business and Professional Occupational License (BPOL) taxes** comprise a major part of the city’s revenues. Along with our municipal brethren, we will *oppose any attempt to eliminate or reduce the M&T and BPOL taxes unless it includes a reliable, consistent, and adequate replacement funding mechanism*. This also applies to further state tax reductions that impact our local government budgets, including further tax cuts to the Grocery Tax or the tax on Personal Hygiene Products.

**Climate Action** - The City *opposes any state-led attempts to roll back or insert state policy in local, non-jurisdictional utility matters related to local climate action plans.* The city, through proactive City Council resolutions like Resolution No. 2021-R049 and major committed programs like RVAgreen 2050, is centering equity-based climate action and resilience planning initiatives in order to reduce greenhouse gas emissions 45% by 2030, achieve net zero greenhouse gas emissions by 2050 and help the community adapt to Richmond's climate impacts of extreme heat, precipitation, and flooding. Richmond has a community-wide initiative to develop and implement a roadmap of actions uses an innovative planning approach that centers frontline community members and works at the intersection of equity, mitigation, and climate resilience. The city recommits to RVAgreen 2050 as an equitable climate action that is going to lead to a healthy and resilient Richmond in the future.

**Pay parity for public defenders** – The City *supports state funding to establish pay parity between public defender staff and the actual salaries of Commonwealth's Attorneys staff.* In City of Richmond courtrooms, assistant commonwealth's attorneys charged with prosecuting crimes continue to earn significantly more than the government employees responsible for defending the accused, an imbalance that leads to inequity in the criminal justice system. Both prosecutors and public defender offices are funded by the state, with positions in each earning comparable base salaries. The salary gap stems from a common practice in which local governments allocate money from their budgets for prosecutors but not for public defenders. The legal system works best when both prosecutors and defenders are equally resourced. The City of Richmond provides pay supplements to the commonwealth's attorney office because its staff is classified as city employees. Public defenders' offices are overseen by the state and function as state employees. The Commonwealth and the General Assembly are requested to take full responsibility for giving public defenders the increases they deserve and on parity with commonwealth attorneys.

**Lead Service Line Replacement** - The City has been working with the Virginia Department of Health Office of Drinking Water for the past three years to develop and institute a lead service line rebate program for homeowners. This program has awarded the City of Richmond a \$500,000 grant annually towards the replacement of lead service lines on homeowners' property under the VDH-ODW Financial and Construction Assistance Programs. With a large number of lead service lines that need to be replaced, the City *supports ongoing state funding for the lead service line replacement program.* State assistance will enable the City to address this critical water quality and environmental justice issue.

**Early Childhood Care and Education** – Because there is a direct correlation between early childhood care and education and the overall health of the City, Richmond is very supportive of allowing community childcare providers greater flexibility in their utilization of Virginia Preschool Initiative funding and encourages a statute change to enable this action. Likewise, the City supports increased funding for the Virginia Preschool Initiative Mixed Delivery Program and the Virginia Child Care Subsidy.

**STEP-VA New and Sustained Funding** – The City *supports increased sustainable state funding to implement STEP-VA requirements as well as to support the planning and implementation of the Marcus Alert protocols.* Virginia has made significant improvements in the quality and accountability of community services through legislative and administrative efforts. However, Virginia's overall behavioral health system remains underfunded and patched together in well-meaning responses to crises with services that are not always sustainable or consistently funded.

#### **Equitable Support Services for Children in Foster Care Through the Age of Maturity**

Virginia's foster care system provides maintenance payments to assist in meeting the basic needs of a child in the system. Enhanced maintenance payments are available when a child has a clearly-defined need that requires the parent to provide increased support and supervision due to the child's behavioral, emotional, or physical/personal care requirements. Under the current system, as soon as a child in foster care reaches the age of thirteen, the stipend disappears. The trauma and emotional needs of the thirteen year old + does not disappear. *The City is supportive of a budget amendment to recognize the enhanced payment, as well as to provide a cost of living increase.*

**Automatic Restoration of Voting Rights Post Incarceration** – The City *supports amending the state constitution to provide for the automatic restoration of voting rights for convicted felons who have completed their sentence.* Virginia is one of three states whose constitution otherwise permanently disenfranchises all citizens with past felony convictions, but grants the state’s governor the authority to restore voting rights.

**Governor’s Motion Picture Opportunity and Tax Credit Fund** - The film, television, and streaming industry has experienced exponential growth and innovation over the past decade, with demand for content seeing a monumental upward trend despite the economic uncertainty that has shaken other industries. It is now recognized as an industry that continues to grow and adapt at breakneck speed, one that uniquely touches technology, tourism, and traditional economic development, while simultaneously providing high-wage career pathways that are of great interest to our existing and emerging workforce. The City of Richmond has benefited significantly from the location shooting of many different projects. This industry benefits businesses large & small during filming, and for years after in the emerging sector of film tourism. Because it has proven to be a very resilient industry, providing crucial support to sectors impacted the most by the economic shutdown, such as hospitality and brick-and- mortar retail, the City of Richmond *urges the General Assembly to please sufficiently fund the Governor’s Motion Picture Opportunity Fund and the Governor’s Motion Picture Tax Credit Fund.*